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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2018

Commission File Number 001-35570

CHANTICLEER HOLDINGS, INC.

(Exact name of registrant as specified in the charter)

Delaware	**20-2932652**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

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

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

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $0.0001 par value
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [X] No.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. [ ] Yes [X] No.

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

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). [X] Yes [ ] No.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X] Yes [ ] No

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

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

If an emerging growth company, indicate by check mark if registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. [ ]

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

The aggregate market value of the voting stock held by non-affiliates was $10.7 million based on the closing sale price of the Company's Common Stock as reported on the NASDAQ Stock Market on June 30, 2018.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. There were 3,731,786 shares of common stock issued and outstanding as of March 18, 2019.

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PART I

FORWARD-LOOKING STATEMENTS

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

- The quality of the Company and franchise store operations and changes in sales volume;
- Our ability to operate our business and generate profits. We have not been profitable to date;
- 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;
- Inherent risks associated with acquiring and starting new restaurant concepts and store locations;
- General risk factors affecting the restaurant industry, including current economic climate, costs of labor and food prices;
- Intensive competition in our industry and competition with national, regional chains and independent restaurant operators;
- Our rights to operate and franchise the Hooters-branded restaurants are dependent on the Hooters’ franchise agreements;
- Our ability, and our dependence on the ability of our franchisees, to execute on business plans effectively;
- Actions of our franchise partners or operating partners which could harm our business;
- Failure to protect our intellectual property rights, including the brand image of our restaurants;
- Changes in customer preferences and perceptions;
- Increases in costs, including food, rent, labor and energy prices;
- Our business and the growth of our Company is dependent on the skills and expertise of management and key personnel;
- Constraints could affect our ability to maintain competitive cost structure, including, but not limited to labor constraints;
- Work stoppages at our restaurants or supplier facilities or other interruptions of production;
- Our food service business and the restaurant industry are subject to extensive government regulation;
- We may be subject to significant foreign currency exchange controls in certain countries in which we operate;
- Inherent risk in foreign operations and currency fluctuations;
- Unusual expenses associated with our expansion into international markets;
- The risks associated with leasing space subject to long-term non-cancelable leases;
- We may not attain our target development goals and aggressive development could cannibalize existing sales;

- Potentially volatile conditions in the global financial markets and economies;
- A decline in market share or failure to achieve growth;
- Negative publicity about the ingredients we use, or the potential occurrence of food-borne illnesses or other problems at our restaurants;
- Breaches of security of confidential consumer information related to our electronic processing of credit and debit card transactions;
- Unusual or significant litigation, governmental investigations or adverse publicity, or otherwise;
- Our debt financing agreements expose us to interest rate risks, contain obligations that may limit the flexibility of our operations, and may limit our ability to raise additional capital;
- Adverse effects on our results from a decrease in or cessation or claw back of government incentives related to investments; and
- Adverse effects on our operations resulting from certain geo-political or other events.

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

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

ITEM 1: BUSINESS

Chanticleer Holdings, Inc. ("Chanticleer" or the "Company") is in the business of owning, operating and franchising fast casual dining concepts domestically and internationally. The Company was organized October 21, 1999, under its original name, Tulvine Systems, Inc., under the laws of the State of Delaware. On April 25, 2005, Tulvine Systems, Inc. formed a wholly owned subsidiary, Chanticleer Holdings, Inc., and on May 2, 2005, Tulvine Systems, Inc. merged with, and changed its name to, Chanticleer Holdings, Inc.

The consolidated financial statements include the accounts of Chanticleer Holdings, Inc. and its subsidiaries (collectively referred to as the "Company").

Restaurant Brands

Better Burgers Fast Casual

We operate and franchise a system-wide total of 49 fast casual restaurants specializing in the "Better Burger" category of which 34 are company-owned and 15 are owned and operated by franchisees under franchise agreements.

American Burger Company ("ABC") is a fast-casual dining chain consisting of 7 locations in North Carolina, South Carolina and New York, known for its diverse menu featuring fresh salads, customized burgers, milk shakes, sandwiches, and beer and wine.

BGR: The Burger Joint ("BGR") was acquired in March 2015 and consists of 11 company-owned locations in the United States and 12 franchisee-operated locations in the United States and the Middle East (2 of the franchisee-operated locations were purchased by the Company in 2018 and became company-owned locations).

Little Big Burger ("LBB") was acquired in September 2015 and consists of 16 company-owned locations in the Portland, Oregon and Charlotte, North Carolina areas and 3 franchisee-operated locations in California and Texas. Of the company-owned restaurants, 8 of those locations are operated under partnership agreements with investors where we control the management and operations of the stores and the partner supplies the capital to open the store in exchange for a noncontrolling interest.

We plan to accelerate expansion of our Better Burger business through a combination of company-owned stores, franchising and partnerships primarily in the United States. Within the Burger group, we plan to focus our resources on growing Little Big Burger, where we are realizing industry-leading margins and returns on capital from our current store locations. We are also considering opportunities to expand the Better Burger business internationally, primarily focusing on those regions where we operate Hooters restaurants to leverage our local infrastructure and management teams across multiple brands.

Just Fresh Fast Casual

We operate Just Fresh, our healthier eating fast casual concept with 5 company owned locations in Charlotte, North Carolina. Just Fresh offers fresh-squeezed juices, gourmet coffee, fresh-baked goods and premium-quality, made-to-order sandwiches, salads and soups. We currently hold a 56% controlling interest in Just Fresh.

Our plans for Just Fresh include maximizing cash flow from our current locations while we evaluate the optimal growth strategy for the brand. As we have allocated most of our current internal and financial resources on growing Little Big Burger, we do not anticipate opening new Just Fresh locations in the near term. However, we believe the Just Fresh tradename and operating model provides significant untapped potential for future growth as a company or franchise model and intend to formalize the longer-term growth strategy for this brand over the coming year.

Hooters Full Service

Hooters restaurants are casual beach-themed establishments featuring music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and of course, Hooters original chicken wings and the “nearly world famous” Hooters Girls.

We own and operate 8 Hooters full-service restaurants in the United States, South Africa, and the United Kingdom. Chanticleer started initially as an investor in Hooters of America and, subsequently evolved into a franchisee operator. We continue to hold a minority investment stake in Hooters of America and operate Hooters restaurants in our regions. However, we do not currently intend to invest in growing the Hooters segment and instead plan to utilize the cash flows from this segment to support growth in our other fast casual brands.

Restaurant Geographic Locations

United States

We currently operate ABC, BGR and LBB restaurants in the United States as our Better Burger Group. ABC is in North Carolina, South Carolina and New York. BGR operates company restaurants in the mid-Atlantic region of the United States, as well as franchise locations across the US and internationally. LBB operates in Oregon, Washington and North Carolina, as well as franchise locations in California and Texas.

We operate Just Fresh restaurants in the Charlotte, North Carolina area.

We operate Hooters restaurants in Tacoma, Washington and Portland, Oregon. We also operate gaming machines in Portland, Oregon under license from the Oregon Lottery Commission.

South Africa

We currently own and operate 5 Hooters restaurants in South Africa: Durban, Pretoria, and Johannesburg (3 locations).

Europe

We currently own and operate one Hooters restaurant in the United Kingdom located in Nottingham, England.

Competition

The restaurant industry is extremely competitive. We compete with other restaurants on the taste, quality and price of our food offerings. Additionally, we compete with other restaurants on service, ambience, location and overall customer experience. We believe that we compete primarily with local and regional sports bars and national casual dining and quick casual establishments, and to a lesser extent with quick service restaurants in general. Many of our competitors are well-established national, regional or local chains and many have greater financial and marketing resources than we do. We also compete with other restaurant and retail establishments for site locations and restaurant employees.

Proprietary Rights

We have trademarks and trade names associated with Just Fresh, American Burger, BGR and Little Big Burger. We believe that the trademarks, service marks and other proprietary rights that we use in our restaurants have significant value and are important to our brand-building efforts and the marketing of our restaurant concepts. Although we believe that we have sufficient rights to all of our trademarks and service marks, we may face claims of infringement that could interfere with our ability to market our restaurants and promote our brand. Any such litigation may be costly and divert resources from our business. Moreover, if we are unable to successfully defend against such claims, we may be prevented from using our trademarks or service marks in the future and may be liable for damages.

We also use the "Hooters" mark and certain other service marks and trademarks used in our Hooters restaurants pursuant to our franchise agreements with Hooters of America.

Government Regulation

Environmental regulation

We are subject to a variety of federal, state and local environmental laws and regulations. Such laws and regulations have not had a significant impact on our capital expenditures, earnings or competitive position.

Local regulation

Our locations are subject to licensing and regulation by a number of government authorities, which may include health, sanitation, safety, fire, building and other agencies in the countries, states or municipalities in which the restaurants are located. Opening sites in new areas could be delayed by license and approval processes or by more requirements of local government bodies with respect to zoning, land use and environmental factors. Our agreements with our franchisees require them to comply with all applicable federal, state and local laws and regulations.

Each restaurant requires appropriate licenses from regulatory authorities allowing it to sell liquor, beer and wine, and each restaurant requires food service licenses from local health authorities. Our licenses to sell alcoholic beverages may be suspended or revoked at any time for cause, including violation by us or our employees of any law or regulation pertaining to alcoholic beverage control. We are subject to various regulations by foreign governments related to the sale of food and alcoholic beverages and to health, sanitation and fire and safety standards. Compliance with these laws and regulations may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

Franchise regulation

We must comply with regulations adopted by the Federal Trade Commission (the "FTC") and with several state and foreign laws that regulate the offer and sale of franchises. The FTC's Trade Regulation Rule on Franchising ("FTC Rule") and certain state and foreign laws require that we furnish prospective franchisees with a franchise disclosure document containing information prescribed by the FTC Rule and applicable state and foreign laws and regulations. We register the disclosure document in domestic and foreign jurisdictions that require registration for the sale of franchises. Our domestic franchise disclosure document complies with FTC Rule and various state disclosure requirements, and our international disclosure documents comply with applicable requirements.

We also must comply with state and foreign laws that regulate some substantive aspects of the franchisor-franchisee relationship. These laws may limit a franchisor's ability to: terminate or not renew a franchise without good cause; interfere with the right of free association among franchisees; disapprove the transfer of a franchise; discriminate among franchisees regarding charges, royalties and other fees; and place new stores near existing franchises. Bills intended to regulate certain aspects of franchise relationships have been introduced into the United States Congress on several occasions during the last decade, but none have been enacted.

Employment regulations

We are subject to state and federal employment laws that govern our relationship with our employees, such as minimum wage requirements, overtime and working conditions and citizenship requirements. Many of our employees are paid at rates which are influenced by changes in the federal and state wage regulations. Accordingly, changes in the wage regulations could increase our labor costs. The work conditions at our facilities are regulated by the Occupational Safety and Health Administration and are subject to periodic inspections by this agency. In addition, the enactment of recent legislation and resulting new government regulation relating to healthcare benefits may result in additional cost increases and other effects in the future.

Gaming regulations

We are also subject to regulations in Oregon where we operate gaming machines. Gaming operations are generally highly regulated and conducted under the permission and oversight of the state or local gaming commission, lottery or other government agencies.

Other regulations

We are subject to a variety of consumer protection and similar laws and regulations at the federal, state and local level. Failure to comply with these laws and regulations could subject us to financial and other penalties.

Seasonality

The sales of our restaurants may peak at various times throughout the year due to certain promotional events, weather and holiday related events. For example, our restaurants in South Africa generally peak in our winter months during their summer holidays. In contrast, our domestic fast casual restaurants tend to peak in the Spring, Summer and Fall months when the weather is milder. Quarterly results also may be affected by the timing of the opening of new stores and the closing of existing stores. For these reasons, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

Corporate Information

Our principal executive offices are located at 7621 Little Avenue, Suite 414, Charlotte, NC 28226. Our web site is*www.chanticleerholdings.com*.

Employees

At December 31, 2018, our locations had approximately 876 employees, including 233 in South Africa, 49 in the United Kingdom, and 594 in the United States. Approximately 57 of our South African employees are represented by a labor union. We have experienced no work stoppage and believe that our employee relationships are good.

Available information

We make available free of charge through our website,*www.chanticleerholdings.com*, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments to those reports and statements filed pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). The public may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Furthermore, the SEC maintains a free website (www.sec.gov) which includes reports, proxy and information statements, and other information regarding us and other issuers that file electronically with the SEC. Our website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K. Additionally, we make available free of charge on our internet website: our Code of Ethics; the charter of our Nominating Committee; the charter of our Compensation Committee; and the charter of our Audit Committee.

ITEM 1A: RISK FACTORS

Investing in our common stock involves risks. Prospective investors in our common stock should carefully consider, among other things, the following risk factors in connection with the other information and financial statements contained in this Report. We have identified the following factors that could cause actual results to differ materially from those projected in any forward-looking statements we may make from time to time.

We operate in a continually changing business environment in which new risk factors emerge from time to time. We can neither predict these new risk factors, nor can we assess the impact, if any, of these new risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statement. If any of these risks, or combination of risks, actually occurs, our business, financial condition and results of operations could be seriously and materially harmed, and the trading price of our common stock could decline. All forward-looking statements in this document are based on information available to us as of the date hereof, and we assume no obligations to update any such forward-looking statements.

Risks Related to Our Company and Industry

We have not been profitable to date and operating losses could continue.

We have incurred operating losses and generated negative cash flows since our inception and have financed our operations principally through equity investments and borrowings. Future profitability is difficult to predict with certainty. Failure to achieve profitability could materially and adversely affect the value of our Company and our ability to effect additional financings. The success of the business depends on our ability to increase revenues to offset expenses. If our revenues fall short of projections or we are unable to reduce operating expenses, our business, financial condition and operating results will be materially adversely affected.

O***ur financial statements have been prepared assuming a going concern.***

Our financial statements as of December 31, 2018 were prepared under the assumption that we will continue as a going concern for the next twelve months from the date of issuance of these financial statements. Our independent registered public accounting firm has issued a report that includes an explanatory paragraph referring to our losses from operations and expressing substantial doubt in our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to obtain additional financing, re-negotiate or extend existing indebtedness, obtain further operating efficiencies, reduce expenditures and ultimately, create profitable operations. We may not be able to refinance or extend our debt or obtain additional capital on reasonable terms. Our financial statements do not include adjustments that would result from the outcome of this uncertainty.

The prior year acquisitions, as well as future acquisitions, may have unanticipated consequences that could harm our business and our financial condition.

Any acquisition that we pursue, whether successfully completed or not, involves risks, including:

- material adverse effects on our operating results, particularly in the fiscal quarters immediately following the acquisition as the acquired restaurants are integrated into our operations;
- risks associated with entering into markets or conducting operations where we have no or limited prior experience;
- problems retaining key personnel;
- potential impairment of tangible and intangible assets and goodwill acquired in the acquisition;
- potential unknown liabilities;
- difficulties of integration and failure to realize anticipated synergies; and
- disruption of our ongoing business, including diversion of management’s attention from other business concerns.

Future acquisitions of restaurants or other businesses, which may be accomplished through a cash purchase transaction, the issuance of our equity securities or a combination of both, could result in potentially dilutive issuances of our equity securities, the incurrence of debt and contingent liabilities and impairment charges related to goodwill and other intangible assets, any of which could harm our business and financial condition.

There are risks inherent in expansion of operations, including our ability to generate profits from new restaurants, find suitable sites and develop and construct locations in a timely and cost-effective way.

We cannot project with certainty the number the number of new restaurants we and our franchisees will open. In addition, our franchise agreements with Hooters of America ("HOA") provide that we must exercise our option to open additional restaurants within each of our territories by a certain date set forth in the development schedule and that each such restaurant must be open by such date. If we fail to timely exercise any option or if we fail to open any additional restaurant by the required restaurant opening date, all of our rights to develop the rest of the option territory will expire automatically and without further notice.

Our failure to effectively develop locations in new territories would adversely affect our ability to execute our business plan by, among other things, reducing our revenues and profits and preventing us from realizing our strategy. Furthermore, we cannot assure you that our new restaurants will generate revenues or profit margins consistent with those currently operated by us.

The number of openings and the performance of new locations will depend on various factors, including:

- the availability of suitable sites for new locations;
- our ability to negotiate acceptable lease or purchase terms for new locations, obtain adequate financing, on favorable terms, required to construct, build-out and operate new locations and meet construction schedules, and hire and train and retain qualified restaurant managers and personnel;
- managing construction and development costs of new restaurants at affordable levels;
- the establishment of brand awareness in new markets; and
- the ability of our Company to manage expansion.

Additionally, competition for suitable restaurant sites in target markets is intense. Restaurants we open in new markets may take longer to reach expected sales and profit levels on a consistent basis and may have higher construction, occupancy or operating costs than restaurants we open in existing markets, thereby affecting our overall profitability.

New markets may have competitive conditions, consumer tastes and discretionary spending patterns that are more difficult to predict or satisfy than our existing markets. We may need to make greater investments than we originally planned in advertising and promotional activity in new markets to build brand awareness. We may find it more difficult in new markets to hire, motivate and keep qualified employees who share our vision, passion and culture. We may also incur higher costs from entering new markets if, for example, we assign regional managers to manage comparatively fewer restaurants than in more developed markets.

We may not be able to successfully develop critical market presence for our brand in new geographical markets, as we may be unable to find and secure attractive locations, build name recognition or attract new customers. Inability to fully implement or failure to successfully execute our plans to enter new markets could have a material adverse effect on our business, financial condition and results of operations.

Not all of these factors are within our control or the control of our partners, and there can be no assurance that we will be able to accelerate our growth or that we will be able to manage the anticipated expansion of our operations effectively.

We have debt financing arrangements that could have a material adverse effect on our financial health and our ability to obtain financing in the future and may impair our ability to react quickly to changes in our business.

Our exposure to debt financing could limit our ability to satisfy our obligations, limit our ability to operate our business and impair our competitive position. For example, it could:

- increase our vulnerability to adverse economic and industry conditions, including interest rate fluctuations, because a portion of our borrowings are at variable rates of interest;
- require us to dedicate significant future cash flows to the repayment of debt, reducing the availability of cash to fund working capital, capital expenditures or other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- limit our ability to obtain additional debt or equity financing due to applicable financial and restrictive covenants contained in our debt agreements.

We may also incur additional indebtedness in the future, which could materially increase the impact of these risks on our financial condition and results of operations.

We may not be able to refinance our current debt obligations. Failure to successfully recapitalize the business could have a material adverse effect on our business, financial condition and results of operations.

The Company and various subsidiaries of the Company are delinquent in payment of payroll taxes to taxing authorities and failure to remit these payments promptly could have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2018, approximately $2.3 million of employee and employer taxes (including estimated penalties and interest) has been accrued but not remitted to certain taxing authorities by the Company and certain subsidiaries of the Company for cash compensation paid. As a result, the Company and its subsidiaries are liable for such payroll taxes. The Company and its have received warnings and demands from the taxing authorities and management is prioritizing these payments in order to avoid further penalties and interest. Failure to remit these payments promptly could result in increased penalty fees and have a material adverse effect on our business, financial condition and results of operations.

Litigation and unfavorable publicity could negatively affect our results of operations as well as our future business.

We are subject to potential for litigation and other customer complaints concerning our food safety, service and/or other operational factors. Guests may file formal litigation complaints that we are required to defend, whether we believe them to be true or not. Substantial, complex or extended litigation could have an adverse effect on our results of operations if we incur substantial defense costs and our management is distracted. Employees may also, from time to time, bring lawsuits against us regarding injury, discrimination, wage and hour, and other employment issues. Additionally, potential disputes could subject us to litigation alleging non-compliance with franchise, development, support service, or other agreements. Additionally, we are subject to the risk of litigation by our stockholders as a result of factors including, but not limited to, performance of our stock price.

In certain states we are subject to "dram shop" statutes, which generally allow a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. Some dram shop litigation against restaurant companies has resulted in significant judgments, including punitive damages. We carry liquor liability coverage as part of our existing comprehensive general liability insurance, but we cannot provide assurance that this insurance will be adequate in the event we are found liable in a dram shop case.

In recent years there has been an increase in the use of social media platforms and similar devices that allow individuals' access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate in its impact. A variety of risks are associated with the use of social media, including the improper disclosure of proprietary information, negative comments about our Company, exposure of personally identifiable information, fraud or outdated information. The inappropriate use of social media platforms by our guests, employees or other individuals could increase our costs, lead to litigation, or result in negative publicity that could damage our reputation, and create an adverse change in the business climate that impairs goodwill. If we are unable to quickly and effectively respond, we may suffer declines in guest traffic, which could materially affect our financial condition and results of operations.

Food safety and foodborne illness concerns could have an adverse effect on our business.

We cannot guarantee that our internal controls and training will be fully effective in preventing all food safety issues at our restaurants, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. In addition, there is no guarantee that our franchise restaurants will maintain the high levels of internal controls and training we require at our company-operated restaurants.

Furthermore, we and our franchisees rely on third-party vendors, making it difficult to monitor food safety compliance and increasing the risk that foodborne illness would affect multiple locations rather than a single restaurant. Some foodborne illness incidents could be caused by third-party vendors and transporters outside of our control. New illnesses resistant to our current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of foodborne illness in any of our restaurants or markets or related to food products we sell could negatively affect our restaurant revenue nationwide if highly publicized on national media outlets or through social media.

This risk exists even if it were later determined that the illness was wrongly attributed to us or one of our restaurants. Several other restaurant chains have experienced incidents related to foodborne illnesses that have had a material adverse effect on their operations. The occurrence of a similar incident at one or more of our restaurants, or negative publicity or public speculation about an incident, could have a material adverse effect on our business, financial condition and results of operations.

We operate in the highly competitive restaurant industry. If we are not able to compete effectively, it will have a material adverse effect on our business, financial condition and results of operations.

We face significant competition from restaurants in the fast-casual dining and traditional fast food segments of the restaurant industry. These segments are highly competitive with respect to, among other things, taste, price, food quality and presentation, service, location and the ambience and condition of each restaurant. Our competition includes a variety of locally owned restaurants and national and regional chains offering dine-in, carry-out, delivery and catering services. Many of our competitors have existed longer and have a more established market presence with substantially greater financial, marketing, personnel and other resources than we do. Among our competitors are a number of multi-unit, multi-market, fast casual restaurant concepts, some of which are expanding nationally. As we expand, we will face competition from these restaurant concepts as well as new competitors that strive to compete with our market segments. These competitors may have, among other things, lower operating costs, better locations, better facilities, better management, more effective marketing and more efficient operations. Additionally, we face the risk that new or existing competitors will copy our business model, menu options, presentation or ambience, among other things.

Any inability to successfully compete with the restaurants in our markets and other restaurant segments will place downward pressure on our customer traffic and may prevent us from increasing or sustaining our revenue and profitability. Consumer tastes, nutritional and dietary trends, traffic patterns and the type, number and location of competing restaurants often affect the restaurant business, and our competitors may react more efficiently and effectively to those conditions. Several of our competitors compete by offering menu items that are specifically identified as low in carbohydrates, gluten-free or healthier for consumers. In addition, many of our traditional fast food restaurant competitors offer lower-priced menu options or meal packages or have loyalty programs. Our sales could decline due to changes in popular tastes, "fad" food regimens, such as low carbohydrate diets, and media attention on new restaurants. If we are unable to continue to compete effectively, our traffic, sales and restaurant contribution could decline which would have a material adverse effect on our business, financial condition and results of operations.

Our rights to operate and franchise Hooters-branded restaurants are dependent on the Hooters' franchise agreements.

Our rights to operate and franchise Hooters-branded restaurants, and our ability to conduct our business are derived principally from the rights granted or to be granted to us by Hooters in our franchise agreements. As a result, our ability to continue operating in our current capacity is dependent on the continuation and renewal of our contractual relationship with Hooters.

In the event Hooters does not grant us franchises to acquire additional locations or terminates our existing franchise agreements, we would be unable to operate and/or expand our Hooters-branded restaurants, identify our business with Hooters or use any of Hooters' intellectual property. As the Hooters brand and our relationship with Hooters are among our competitive strengths, the failure to grant or the expiration or termination of the franchise agreements would materially and adversely affect our business, results of operations, financial condition and prospects.

Our business depends on our relationship with Hooters and changes in this relationship may adversely affect our business, results of operations and financial condition.

Pursuant to the franchise agreements, Hooters has the ability to exercise substantial influence over the conduct of our business. We must comply with Hooters' high-quality standards. We cannot transfer the equity interests of our subsidiaries without Hooters' consent, and Hooters has the right to control many of the locations' daily operations.

Notwithstanding the foregoing, Hooters has no obligation to fund our operations. In addition, Hooters does not guarantee any of our financial obligations, including trade payables or outstanding indebtedness, and has no obligation to do so. If the terms of the franchise agreements excessively restrict our ability to operate our business or if we are unable to satisfy our obligations under the franchise agreements, our business, results of operations and financial condition would be materially and adversely affected.

We do not have full operational control over the franchisee-operated restaurants.

We are and will be dependent on our franchisees to maintain quality, service and cleanliness standards, and their failure to do so could materially affect our brands and harm our future growth. Our franchisees have flexibility in their operations, including the ability to set prices for our products in their restaurants, hire employees and select certain service providers. In addition, it is possible that some franchisees may not operate their restaurants in accordance with our quality, service and cleanliness, health or product standards. Although we intend to take corrective measures if franchisees fail to maintain high quality service and cleanliness standards, we may not be able to identify and rectify problems with sufficient speed and, as a result, our image and operating results may be negatively affected.

A failure by Hooters to protect its intellectual property rights, including its brand image, could harm our results of operations.

The profitability of our Hooters business depends in part on consumers' perception of the strength of the Hooters brand. Under the terms of our franchise agreements, we are required to assist Hooters with protecting its intellectual property rights in our jurisdictions. Nevertheless, any failure by Hooters to protect its proprietary rights in the world could harm its brand image, which could affect our competitive position and our results of operations.

Our business could be adversely affected by declines in discretionary spending and may be affected by changes in consumer preferences.

Our success depends, in part, upon the popularity of our food products. Shifts in consumer preferences away from our restaurants or cuisine could harm our business. Also, our success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions and the availability of discretionary income. Accordingly, we may experience declines in sales during economic downturns or during periods of uncertainty. A continuing decline in the amount of discretionary spending could have a material adverse effect on our sales, results of operations, and business and financial condition.

Increases in costs, including food, labor and energy prices, will adversely affect our results of operations.

Our profitability is dependent on our ability to anticipate and react to changes in our operating costs, including food, labor, occupancy (including utilities and energy), insurance and supply costs. Various factors beyond our control, including climatic changes and government regulations, may affect food costs. Specifically, our dependence on frequent, timely deliveries of fresh meat and produce subject us to the risks of possible shortages or interruptions in supply caused by adverse weather or other conditions which could adversely affect the availability and cost of any such items. In the past, we have been able to recover some of our higher operating costs through increased menu prices. There have been, and there may be in the future, delays in implementing such menu price increases, and competitive pressures may limit our ability to recover such cost increases in their entirety.

Our ability to maintain consistent price and quality throughout our restaurants depends in part upon our ability to acquire specified food products and supplies in sufficient quantities from third-party vendors, suppliers and distributors at a reasonable cost. We do not control the businesses of our vendors, suppliers and distributors, and our efforts to specify and monitor the standards under which they perform may not be successful. If any of our vendors or other suppliers are unable to fulfill their obligations to our standards, or if we are unable to find replacement providers in the event of a supply or service disruption, we could encounter supply shortages and incur higher costs to secure adequate supplies, which would have a material adverse effect on our business, financial condition and results of operations.

Furthermore, if our current vendors or other suppliers are unable to support our expansion into new markets, or if we are unable to find vendors to meet our supply specifications or service needs as we expand, we could likewise encounter supply shortages and incur higher costs to secure adequate supplies, which could have a material adverse effect on our business, financial condition and results of operations.

Changes in employment laws and minimum wage standards may adversely affect our business.

Labor is a primary component in the cost of operating our restaurants. If we face labor shortages or increased labor costs because of increased competition for employees, higher employee turnover rates, increases in the federal, state or local minimum wage or other employee benefits costs (including costs associated with health insurance coverage), our operating expenses could increase, and our growth could be negatively impacted.

In addition, our success depends in part upon our ability to attract, motivate and retain enough well-qualified restaurant operators and management personnel, as well as a sufficient number of other qualified employees, including customer service and kitchen staff, to keep pace with our expansion schedule. In addition, restaurants have traditionally experienced relatively high employee turnover rates. Although we have not yet experienced significant problems in recruiting or retaining employees, our ability to recruit and retain such individuals may delay the planned openings of new restaurants or result in higher employee turnover in existing restaurants, which could have a material adverse effect on our business, financial condition and results of operations.

Various federal and state employment laws govern the relationship with our employees and impact operating costs. These laws include employee classification as exempt or non-exempt for overtime and other purposes, minimum wage requirements, unemployment tax rates, workers' compensation rates, immigration status and other wage and benefit requirements. Significant additional government-imposed increases in the following areas could have a material adverse effect on our business, financial condition and results of operations:

- Minimum wages;
- Mandatory health benefits;
- Vacation accruals;
- Paid leaves of absence, including paid sick leave; and
- Tax reporting.

We could also become subject to fines, penalties and other costs related to claims that we did not fully comply with all recordkeeping obligations of federal and state immigration compliance laws. These factors could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks arising under federal and state labor laws.

We are subject to risks under federal and state labor laws, including disputes concerning whether and when a union can be organized, and once unionized, collective bargaining rights, various issues arising from union contracts, and matters relating to a labor strike. Labor laws are complex and differ vastly from state to state.

We are subject to the risks associated with leasing space subject to long-term non-cancelable leases.

We lease all the real property and we expect the new restaurants we open in the future will also be leased. We are obligated under non-cancelable leases for our restaurants and our corporate headquarters. Our restaurant leases generally require us to pay a proportionate share of real estate taxes, insurance, common area maintenance charges and other operating costs. Some restaurant leases provide for contingent rental payments based on sales thresholds, although we generally do not expect to pay significant contingent rent on these properties based on the thresholds in those leases. Additional sites that we lease are likely to be subject to similar long-term non-cancelable leases.

If an existing or future restaurant is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each of our leases expires, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to pay increased occupancy costs or to close restaurants in desirable locations. These potential increased occupancy costs and closed restaurants could have a material adverse effect on our business, financial condition and results of operations.

Our business and the growth of our Company are dependent on the skills and expertise of management and key personnel.

During the upcoming stages of our Company's anticipated growth, we are entirely dependent upon the management skills and expertise of our management and key personnel. We do not have employment agreements with many of our executive officers. The loss of services of our executive officers could dramatically affect our business prospects. Certain of our employees are particularly valuable to us because:

- they have specialized knowledge about our company and operations;
- they have specialized skills that are important to our operations; or
- they would be particularly difficult to replace.

If the services of any key management personnel ceased to be available to us, our growth prospects or future operating results may be adversely impacted.

Our food service business, gaming revenues and the restaurant industry are subject to extensive government regulation.

We are subject to extensive and varied country, federal, state and local government regulation, including regulations relating to public health, gambling, safety and zoning codes. We operate each of our locations in accordance with standards and procedures designed to comply with applicable codes and regulations. However, if we could not obtain or retain food or other licenses, it would adversely affect our operations. Although we have not experienced, and do not anticipate experiencing any significant difficulties, delays or failures in obtaining required licenses, permits or approvals, any such problem could delay or prevent the opening of, or adversely impact the viability of, a particular location or group of restaurants.

We may be subject to significant foreign currency exchange controls in certain countries in which we operate.

Certain foreign economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into U.S. dollars. This may increase our costs and limit our ability to convert local currency into U.S. dollars and transfer funds out of certain countries. Any shortages or restrictions may impede our ability to convert these currencies into U.S. dollars and to transfer funds, including for the payment of dividends or interest or principal on our outstanding debt. If any of our subsidiaries are unable to transfer funds to us due to currency restrictions, we are responsible for any resulting shortfall.

Our foreign operations subject us to risks that could negatively affect our business.

Most of our Hooters restaurants and some of our franchisee-owned restaurants operate in foreign countries and territories outside of the U.S. As a result, our business is exposed to risks inherent in foreign operations. These risks, which can vary substantially by market, include political instability, corruption, social and ethnic unrest, changes in economic conditions (including wage and commodity inflation, consumer spending and unemployment levels), the regulatory environment, tax rates and laws and consumer preferences as well as changes in the laws and policies that govern foreign investment in countries where our restaurants are operated.

In addition, our results of operations and the value of our foreign assets are affected by fluctuations in foreign currency exchange rates, which may adversely affect reported earnings. More specifically, an increase in the value of the United States Dollar relative to other currencies, such as the British Pound and the South African Rand could have an adverse effect on our reported earnings. There can be no assurance as to the future effect of any such changes on our results of operations, financial condition or cash flows.

We may not attain our target development goals and aggressive development could cannibalize existing sales.

Our growth strategy depends in large part on our ability to increase our net restaurant count. The successful development of new units will depend in large part on our ability and the ability of our franchisees to open new restaurants and to operate these restaurants on a profitable basis. We cannot guarantee that we, or our franchisees, will be able to achieve our expansion goals or that new restaurants will be operated profitably. Further, there is no assurance that any new restaurant will produce operating results like those of our existing restaurants. Other risks that could impact our ability to increase our net restaurant count include prevailing economic conditions and our, or our franchisees'/partners', ability to obtain suitable restaurant locations, obtain required permits and approvals in a timely manner and hire and train qualified personnel.

Our franchisee operators also frequently depend upon financing from banks and other financial institutions in order to construct and open new restaurants. If it becomes more difficult or expensive for our franchisees/partners to obtain financing to develop new restaurants, our planned growth could slow, and our future revenue and cash flows could be adversely impacted.

In addition, the new restaurants could impact the sales of our existing restaurants nearby. It is not our intention to open new restaurants that materially cannibalize the sales of our existing restaurants. However, as with most growing retail and restaurant operations, there can be no assurance that sales cannibalization will not occur or become more significant in the future as we increase our presence in existing markets over time.

Changing conditions in the global economy and financial markets may materially adversely affect our business, results of operations and ability to raise capital.

Our business and results of operations may be materially affected by conditions in the financial markets and the economy generally. The demand for our products could be adversely affected in an economic downturn and our revenues may decline under such circumstances. In addition, we may find it difficult, or we may not be able, to access the credit or equity markets, or we may experience higher funding costs in the event of adverse market conditions. Future instability in these markets could limit our ability to access the capital we require to fund and grow our business.

Changes to accounting rules or regulations may adversely affect the reporting of our results of operations.

Changes to existing accounting rules or regulations may impact the reporting of our future results of operations or cause the perception that we are more highly leveraged. Other new accounting rules or regulations and varying interpretations of existing accounting rules or regulations have occurred and may occur in the future. For instance, new accounting rules will require lessees to capitalize operating leases in their financial statements in future periods which will require us to record significant right of use assets and lease obligations on our balance sheet. This and other future changes to accounting rules or regulations could have a material adverse effect on the reporting of our business, financial condition and results of operations. In addition, many existing accounting standards require management to make subjective assumptions, such as those required for stock compensation, tax matters, franchise accounting, acquisitions, litigation, and asset impairment calculations. Changes in accounting standards or changes in underlying assumptions, estimates and judgments by our management could significantly change our reported or expected financial performance.

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and have a material adverse effect on our business, financial condition and results of operations.

Our intellectual property is material to the conduct of our business. Our ability to implement our business plan successfully depends in part on our ability to further build brand recognition using our trademarks, tradenames and other proprietary intellectual property, including our name and logos and the unique ambience of our restaurants. While it is our policy to protect and defend vigorously our rights to our intellectual property, we cannot predict whether steps taken by us to protect our intellectual property rights will be adequate to prevent misappropriation of these rights or the use by others of restaurant features based upon, or otherwise similar to, our restaurant concept. It may be difficult for us to prevent others from copying elements of our concept and any litigation to enforce our rights will likely be costly and may not be successful. Although we believe that we have sufficient rights to all our trademarks and service marks, we may face claims of infringement that could interfere with our ability to market our restaurants and promote our brand. Any such litigation may be costly and could divert resources from our business. Moreover, if we are unable to successfully defend against such claims, we may be prevented from using our trademarks or service marks in the future and may be liable for damages, which in turn could have a material adverse effect on our business, financial condition and results of operations.

In addition, we license certain of our proprietary intellectual property, including our name and logos, to third parties. For example, we grant our franchisees and licensees a right to use certain of our trademarks in connection with their operation of the applicable restaurant. If a franchisee or other licensee fails to maintain the quality of the restaurant operations associated with the licensed trademarks, our rights to, and the value of, our trademarks could potentially be harmed. Negative publicity relating to the franchisee or licensee could also be incorrectly associated with us, which could harm our business. Failure to maintain, control and protect our trademarks and other proprietary intellectual property would likely have a material adverse effect on our business, financial condition and results of operations and on our ability to enter into new franchise agreements.

We may incur costs resulting from breaches of security of confidential consumer information related to our electronic processing of credit and debit card transactions.

Most of our restaurant sales are by credit or debit cards. Other restaurants and retailers have experienced security breaches in which credit and debit card information has been stolen. We may in the future become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. In addition, most states have enacted legislation requiring notification of security breaches involving personal information, including credit and debit card information. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have a material adverse effect on our business, financial condition and results of operations. Further, adverse publicity resulting from these allegations may have a material adverse effect on our business and results of operations.

We rely heavily on information technology, and any material failure, weakness, interruption or breach of security could prevent us from effectively operating our business.

We rely heavily on information systems, including point-of-sale processing in our restaurants, for management of our supply chain, payment of obligations, collection of cash, credit and debit card transactions and other processes and procedures. Our ability to efficiently and effectively manage our business depends significantly on the reliability and capacity of these systems. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses and other disruptive problems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, or a breach in security of these systems could result in delays in customer service and reduce efficiency in our operations. Remediation of such problems could result in significant, unplanned capital investments.

Adverse weather conditions could affect our sales.

Adverse weather conditions, such as regional winter storms, floods, severe thunderstorms and hurricanes, could affect our sales at restaurants in locations that experience these weather conditions, which could materially adversely affect our business, financial condition or results of operations.

The uncertainty surrounding the implementation and effect of Brexit may impact our UK operations.

The uncertainty surrounding the implementation and effect of Brexit, including the commencement of the exit negotiation period, the terms and conditions of such exit, the uncertainty in relation to the legal and regulatory framework that would apply to the UK and its relationship with the remaining members of the EU (including, in relation to trade) during a withdrawal process and after any Brexit is effected, has caused and is likely to cause increased economic volatility and market uncertainty globally. It is too early to ascertain the long-term effects. To date, the only measurable impact is attributable to the decline in the pound sterling as measured against the U.S. dollar.

Negative publicity could reduce sales at some or all our restaurants.

We may, from time to time, be faced with negative publicity relating to food quality and integrity, the safety, sanitation and welfare of our restaurant facilities, customer complaints, labor issues, or litigation alleging illness or injury, health inspection scores, integrity of our or our suppliers' food processing and other policies, practices and procedures, employee relationships and welfare or other matters at one or more of our restaurants. Negative publicity may adversely affect us, regardless of whether the allegations are valid or whether we are held to be responsible. The risk of negative publicity is particularly great with respect to our franchised restaurants because we are limited in the manner in which we can regulate them, especially on a real-time basis and negative publicity from our franchised restaurants may also significantly impact company-operated restaurants. A similar risk exists with respect to food service businesses unrelated to us, if customers mistakenly associate such unrelated businesses with our operations. Employee claims against us based on, among other things, wage and hour violations, discrimination, harassment or wrongful termination may also create not only legal and financial liability but negative publicity that could adversely affect us and divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. These types of employee claims could also be asserted against us, on a co-employer theory, by employees of our franchisees. A significant increase in the number of these claims or an increase in the number of successful claims could materially adversely affect our business, financial condition, results of operations and cash flows.

The interests of our franchisees may conflict with ours or yours in the future and we could face liability from our franchisees or related to our relationship with our franchisees.

Franchisees, as independent business operators, may from time to time disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under the franchise agreement and the terms and conditions of the franchisee/franchisor relationship or have interests adverse to ours. This may lead to disputes with our franchisees and we expect such disputes to occur from time to time in the future as we continue to offer franchises. Such disputes may result in legal action against us. To the extent we have such disputes, the attention, time and financial resources of our management and our franchisees will be diverted from our restaurants, which could have a material adverse effect on our business, financial condition, results of operations and cash flows even if we have a successful outcome in the dispute.

In addition, various state and federal laws govern our relationship with our franchisees and our potential sale of a franchise. A franchisee and/or a government agency may bring legal action against us based on the franchisee/franchisor relationships that could result in the award of damages to franchisees and/or the imposition of fines or other penalties against us.

We have significant obligations under notes payable and convertible debt obligations and we may be deemed in default under certain provisions of our notes payable and convertible debt obligations. Our ability to operate as a going concern are contingent upon successfully obtaining additional financing and renegotiating terms of existing indebtedness in the near future. Failure to do so would adversely affect our ability to continue operations.

If capital is not available or we are not able to agree on reasonable terms with our lenders, we may then need to scale back or freeze our organic growth plans, sell assets under unfavorable terms, reduce expenses, and/or curtail future acquisition plans to manage our liquidity and capital resources. We may not be able refinance or otherwise extend or repay our current obligations, which could impact our ability to continue to operate as a going concern.

In the event that management proceeds with asset sales and/or store closures rather than continuing to hold and operate all its assets long term, management's assessment of the fair value, and ultimate recoverability, of goodwill, intangibles, and other long-lived assets would be impacted and the Company could incur significant noncash charges and cash exit costs in future periods.

We have approximately $14.3 million in current liabilities. In the event that additional working capital is not available, we may be forced to scale back or freeze our growth plans, sell assets on less than favorable terms, reduce expenses, and/or curtail future acquisition plans to manage our liquidity and capital resources. In the event that management elects to proceed with asset sales and/or store closures in the future rather than continue to hold and operate all its assets long term, management's assessment of the fair value, and ultimate recoverability, of goodwill, intangibles, and other long-lived assets would be impacted and the Company could incur significant noncash charges and cash exit costs in future periods.

We have remedied defaults under the 8% non-convertible secured debentures. However, we may not be able to refinance, extend or repay our substantial indebtedness owed to our secured lenders, which would have a material adverse effect on our financial condition and ability to continue as a going concern.

We have approximately $14.3 million in current liabilities. Six million of principal is due on our debt obligations within the next 12 months and an additional $3 million is due within the succeeding 3 months, plus interest. If we are unable to repay these obligations at maturity and we are otherwise unable to extend the maturity dates or refinance these obligations, we would be in default. We cannot provide any assurances that we will be able to raise the necessary amount of capital to repay these obligations or that we will be able to extend the maturity dates or otherwise refinance these obligations. Upon a default, our secured lenders would have the right to exercise their rights and remedies to collect, which would include foreclosing on our assets. Accordingly, a default would have a material adverse effect on our business, and we would likely be forced to seek bankruptcy protection.

Proceeds from asset sales are subject to a right of mandatory redemption of our 8% non-convertible secured debenture holders, in principal amount of $6,000,000, thereby limiting our flexibility to allocate proceeds from asset sales to payment of other debt obligations or working capital.

Management is actively considering the possible benefits of selling certain of its operating assets to reduce debt and provide additional working capital to fund future growth of its domestic burger business, as well as possibly closing certain underperforming store locations to improve operating cash flow. Proceeds from asset sales are subject to a right of mandatory redemption of our 8% non-convertible secured debenture holders, in principal amount of $6,000,000, thereby limiting our flexibility to allocate proceeds from asset sales to payment of other debt obligations or working capital.

Risks Related to Our Common Stock

Our stock price has experienced price fluctuations and may continue to do so, resulting in a substantial loss in your investment.

The current market for our common stock has been characterized by volatile prices. As a result, investors in our common stock may experience a decrease in the value of their securities, including decreases unrelated to our operating performance or prospects. The market price of our common stock is likely to be highly unpredictable and subject to wide fluctuations in response to various factors, many of which are beyond our control. These factors include:

- quarterly variations in our operating results and achievement of key business metrics;
- changes in the global economy and in the local economies in which we operate;
- our ability to obtain working capital financing, if necessary;
- the departure of any of our key executive officers and directors;
- changes in the federal, state, and local laws and regulations to which we are subject;
- changes in earnings estimates by securities analysts, if any;
- any differences from reported results and securities analysts published or unpublished expectations;
- market reaction to any acquisitions, joint ventures or strategic investments announced by us or our competitors;
- future sales of our securities;
- announcements or press releases relating to the casual dining restaurant sector or to our own business or prospects;
- negative media and social media coverage;
- regulatory, legislative, or other developments affecting us or the restaurant industry generally; and
- market conditions specific to casual dining restaurant, the restaurant industry and the stock market generally.

Our common stock could be further diluted as the result of the issuance of additional shares of common stock, convertible securities, warrants or options.

In the past, we have issued common stock, convertible securities (such as convertible notes) and warrants in order to raise capital. We have also issued common stock as compensation for services and incentive compensation for our employees, directors and certain vendors. We have shares of common stock reserved for issuance upon the exercise of certain of these securities and may increase the shares reserved for these purposes in the future. Our issuance of additional common stock, convertible securities, options and warrants could affect the rights of our stockholders, could reduce the market price of our common stock or could result in adjustments to exercise prices of outstanding warrants (resulting in these securities becoming exercisable for, as the case may be, a greater number of shares of our common stock), or could obligate us to issue additional shares of common stock to certain of our stockholders.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, stockholders who have been non-affiliates for the preceding three months may sell shares of our common stock freely after six months subject only to the current public information requirement. Affiliates may sell shares of our common stock after six months subject to the Rule 144 volume, manner of sale, current public information and notice requirements. Any substantial sales of our common stock pursuant to Rule 144 may have a material adverse effect on the market price of our common stock.

We do not expect to pay cash dividends in the foreseeable future and therefore investors should not anticipate cash dividends on their investment.

Our board of directors does not intend to pay cash dividends in the foreseeable future but instead intends to retain any and all earnings to finance the growth of the business. To date, we have not paid any cash dividends and there can be no assurance that cash dividends will ever be paid on our common stock.

We may issue additional shares of our common stock, which could depress the market price of our common stock and dilute your ownership.

Market sales of large amounts of our common stock, or the potential for those sales even if they do not actually occur, may have the effect of depressing the market price of our common stock. In addition, if our future financing needs require us to issue additional shares of common stock or securities convertible into common stock, the amount of common stock available for resale could be increased which could stimulate trading activity and cause the market price of our common stock to drop, even if our business is doing well. Furthermore, the issuance of any additional shares of our common stock, or securities convertible into our common stock could be substantially dilutive to holders of our common stock.

Director and officer liability is limited.

As permitted by Delaware law, our bylaws limit the liability of our directors for monetary damages for breach of a director's fiduciary duty except for liability in certain instances. As a result of our bylaw provisions and Delaware law, stockholders may have limited rights to recover against directors for breach of fiduciary duty.

Failure to establish and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price.

As a publicly traded company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. We have identified internal control weaknesses and may need to undertake various actions, such as implementing new internal controls, new systems and procedures and hiring additional accounting or internal audit staff, which could increase our operating expenses. In addition, we may identify additional deficiencies in our internal control over financial reporting as part of that process.

In addition, if we are unable to resolve internal control deficiencies in a timely manner, investors could lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected.

ITEM 2: PROPERTIES

The Company, through its subsidiaries, leases the land and buildings for our 5 restaurants in South Africa, 1 restaurant in Nottingham, United Kingdom, and 43 restaurant locations in the U.S. The terms for our leases vary from two to twenty years and have options to extend. We lease some of our restaurant facilities under "triple net" leases that require us to pay minimum rent, real estate taxes, maintenance costs and insurance premiums and, in some instances, percentage rent based on sales in excess of specified amounts. We also lease our corporate office space in Charlotte, North Carolina.

Our office and restaurant facilities are suitable and adequate for our business as it is presently conducted.

ITEM 3: LEGAL PROCEEDINGS

On March 26, 2013, our South African operations received Notice of Motion filed in the Kwazulu-Natal High Court, Durban, Republic of South Africa, filed against Rolalor (PTY) LTD ("Rolalor") and Labyrinth Trading 18 (PTY) LTD ("Labyrinth") by Jennifer Catherine Mary Shaw ("Shaw"). Rolalor and Labyrinth were the original entities formed to operate the Johannesburg and Durban locations, respectively. On September 9, 2011, the assets and the then-disclosed liabilities of these entities were transferred to Tundraspex (PTY) LTD ("Tundraspex") and Dimaflo (PTY) LTD ("Dimaflo"), respectively. The current entities, Tundraspex and Dimaflo are not parties in the lawsuit. Shaw is requesting that the Respondents, Rolalor and Labyrinth, be wound up in satisfaction of an alleged debt owed in the total amount of R4,082,636 (approximately $480,000). The two Notices were defended and argued in the High Court of South Africa (Durban) on January 31, 2014. Madam Justice Steryi dismissed the action with costs on May 5, 2014. Ms. Shaw appealed this decision and in December 2016, the Court dismissed the Labyrinth case with costs payable to the Company and allowed the Rolalor case to proceed to liquidation. The Company did not object to the proposed liquidation of Rolalor as the entity has no assets and the Company does not expect there to be any material impact on the Company. No amounts have been accrued as of December 31, 2018 or 2017 in the accompanying consolidated balance sheets.

From time to time, the Company may be involved in legal proceedings and claims that have arisen in the ordinary course of business are generally covered by insurance. As of December 31, 2018, the Company does not expect the amount of ultimate liability with respect to these matters to be material to the company's financial condition, results of operations or cash flows.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NASDAQ Capital Market under the symbol "BURG".

Number of Shareholders and Total Outstanding Shares

As of March 18, 2019, there were 3,731,786, shares of our common stock issued and outstanding, respectively, and approximately 181 shareholders of record at our transfer agent. Because many shares of common stock are held by brokers and other institutions on behalf of individual stockholders and those shares change hands from time to time, we do not receive a precise tally of the total number of shareholders on a regular basis. However, our best estimate of the total holders of our common stock ranges from approximately 2,200 to approximately 2,500 shareholders.

Reverse Split

As of May 19, 2017, the Company effected a one-for-ten reverse stock split of the Company's shares of common stock. As a result of reverse stock split, each ten shares of common stock issued and outstanding were combined into one share of common stock. No fractional shares were issued in connection with the reverse stock split. The Company rounded fractional shares up to the nearest whole number.

The reverse stock split had no impact on the par value per share of the Company's common stock or the number of authorized shares. All current and prior period amounts related to shares, share prices and earnings per share contained in the accompanying unaudited condensed consolidated financial statements have been restated to give retrospective presentation for the reverse stock split.

Recent Sales of Unregistered Securities

Unregistered sales of our common stock during the first three quarters of 2018 were reported in Item 2 of Part II of the Form 10-Q filed for each quarter or on Current Report on Form 8-K. There were no unregistered sales of common stock during the fourth quarter of 2018 to be reported.

ITEM 6: SELECTED FINANCIAL DATA

Not applicable.

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with the Selected Financial Data and our audited consolidated financial statements as of and for the year ended December 31, 2018 including the notes thereto, included in this Report. The discussion below contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in Item 1A. "Risk Factors". Actual results may differ materially from those contained in any forward-looking statements. Forward-looking statements speak only as of the date they are made. We undertake no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur, and you are urged to review and consider disclosures that we make in this and other reports that discuss factors germane to our business.

Overview

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

We own, operate and franchise a system-wide total of 49 fast casual restaurants specializing the "Better Burger" category of which 34 are company-owned and 15 are operated by franchisees under franchise agreements. American Burger Company ("ABC") is a fast-casual dining chain consisting of 7 locations in New York and the Carolinas, known for its diverse menu featuring, customized burgers, milk shakes, sandwiches, fresh salads and beer and wine. BGR: The Burger Joint ("BGR"), consists of 11 company-owned locations in the United States and 12 franchisee-operated locations in the United States and the Middle East. Little Big Burger ("LBB") consists of 16 company-owned locations in Oregon, Washington and North Carolina and 3 franchisee-operated locations in California and Texas.

We also own and operate Just Fresh, our healthier eating fast casual concept with 5 company owned locations in Charlotte, North Carolina. Just Fresh offers fresh-squeezed juices, gourmet coffee, fresh-baked goods and premium-quality, made-to-order sandwiches, salads and soups.

We own and operate 8 Hooters full-service restaurants in the United States, South Africa, and the United Kingdom. Hooters restaurants are casual beach-themed establishments featuring music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and of course, Hooters original chicken wings and the "nearly world famous" Hooters Girls.

As of December 31, 2018, our system-wide store count totaled 62 locations, consisting of 47 company-owned locations and 15 franchisee-operated locations.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2018 COMPARED TO THE YEAR ENDED DECEMBER 31, 2017

Our results of operations are summarized below:

	Year Ended				
	December 31, 2018		December 31, 2017		
	Amount	% of Revenue*	Amount	% of Revenue*	% Change
Restaurant sales, net	$ 39,665,763		$ 40,495,166		-2.0%
Gaming income, net	402,611		442,521		-9.0%
Management fee income	100,000		100,000		0.0%
Franchise income	445,335		395,176		12.7%
Total revenue	40,613,709		41,432,863		-2.0%
Expenses:					
Restaurant cost of sales	13,288,422	33.5%	13,692,921	33.8%	-3.0%
Restaurant operating expenses	23,565,526	59.4%	23,432,124	57.9%	0.6%
Restaurant pre-opening and closing expenses	412,979	1.0%	319,282	0.8%	29.3%
General and administrative	4,578,788	11.3%	4,545,496	11.0%	0.7%
Asset impairment charge	1,959,510	4.8%	2,395,616	5.8%	-18.2%
Depreciation and amortization	2,163,585	5.3%	2,282,801	5.5%	-5.2%
Total expenses	45,968,810	113.2%	46,668,240	112.6%	-1.5%
Operating loss from continuing operations	$ (5,355,101)		$ (5,235,377)		

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

Revenue

Total revenue decreased 2.0% to $40.6 million for the year ended December 31, 2018 from $41.4 million for the year ended December 31, 2017. Revenues by concept are summarized below for each period:

	Year Ended December 31, 2018					
Revenue	Better Burgers	Just Fresh	Hooters	Corp	Total	% of Total
Restaurant sales, net	$22,172,187	$4,054,270	$13,439,306	$ -	**$39,665,763**	97.7%
Gaming income, net	-	-	402,611	-	**402,611**	1.0%
Management fees	-	-	-	100,000	**100,000**	0.2%
Franchise income	445,335	-	-	-	**445,335**	1.1%
Total revenue	**$22,617,522**	**$4,054,270**	**$13,841,917**	**$ 100,000**	**$40,613,709**	**100.0%**

	Year Ended December 31, 2017					
Revenue	Better Burgers	Just Fresh	Hooters	Corp	Total	% of Total
Restaurant sales, net	$22,369,395	$5,060,072	$13,065,699	$ -	**$40,495,166**	97.7%
Gaming income, net	-	-	442,521	-	**442,521**	1.1%
Management fees	-	-	-	100,000	**100,000**	0.2%
Franchise income	395,176	-	-	-	**395,176**	1.0%
Total revenue	**$22,764,571**	**$5,060,072**	**$13,508,220**	**$ 100,000**	**$41,432,863**	**100.0%**

	% Change in Revenues Compared to Prior Year				
Revenue	Better Burgers	Just Fresh	Hooters	Corp	Total
Restaurant sales, net	-0.9%	-19.9%	2.9%	-	**-2.0%**
Gaming income, net	-	-	-9.0%	-	**-9.0%**
Management fees	-	-	-	-	**0.0%**
Franchise income	12.7%	-	-	-	**12.7%**
Total revenue	**-0.6%**	**-19.9%**	**2.5%**	**0.0%**	**-2.0%**

- Revenue from the Company's Better Burger Group decreased 0.6% to $22.6 million for the year ended December 31, 2018 from $22.8 million for the year ended December 31, 2017.

  Revenues increased $1.7 million from the opening of 4 Little Big Burger restaurants and 1 BGR restaurant during 2018 along with the acquisition of BGR Annapolis and BGR Columbia in 2018. However, the increased revenue from new stores was completely offset by the closure of underperforming locations at BGR and American Burger in 2017 and 2018 which led to a decrease in total revenue for the Better Burger Group.

- Revenue from the Company's Just Fresh Group decreased 19.9% to $4.1 million for the year ended December 31, 2018 from $5.1 million for the year ended December 31, 2017. The decline in revenues was primarily from the closure of 1 underperforming location in the fourth quarter of 2017 and another location in the first quarter of 2018.

- Revenue from the Company's Hooter's restaurants increased 2.5% to $13.8 million for the year ended December 31, 2018 from $13.5 million for the year ended December 31, 2017. The increase in Hooters revenue was largely driven by improved sales in the Pacific Northwest restaurant locations.

- Gaming revenue decreased by 9.0% to $403,000 for the year ended December 31, 2018 from $442,000 for the year ended December 31, 2017. The decline in gaming revenue is partially attributable to increased competition from a new casino property in the area.

- Management fee income was unchanged at $100,000 for the years ended December 31, 2018 and 2017. The Company derives management fee income from serving as general partner for its investment in HOA LLC and as compensation for the Company's CEO serving on the board of Hooters of America.

- Franchise income increased 12.7% to $445,000 for the year ended December 31, 2018 from $395,000 for the year ended December 31, 2017. The increase is attributable to the Company beginning to collect royalties from the Little Big Burger franchisees and the adoption of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which resulted in additional franchise revenue being recorded during the year.

Restaurant cost of sales

Restaurant cost of sales decreased 3.0% to $13.3 million for the year ended December 31, 2018 from $13.7 million for the year ended December 31, 2017. Cost of sales by concept are summarized below for each period:

	Year Ended				
	December 31, 2018		December 31, 2017		
Cost of Restaurant Sales	Amount	% of Restaurant Net Sales	Amount	% of Restaurant Net Sales	% Change
Better Burgers Fast Casual	$ 7,162,578	32.3%	$ 7,398,092	33.1%	-3.2%
Just Fresh Fast Casual	1,401,205	34.6%	1,767,032	34.9%	-20.7%
Hooters Full Service	4,724,639	35.2%	4,527,797	34.7%	4.3%
	$ 13,288,422	33.5%	$ 13,692,921	33.8%	-3.0%

As a percentage of restaurant sales, net, restaurant cost of sales improved to 33.5% for the year ended December 31, 2018 from 33.8% for the year ended December 31, 2017.

- Cost of sales in the Better Burger Group improved from 33.1% to 32.3%, Just Fresh improved from 34.9% to 34.6%, while cost of sales for the Hooters locations increased from 34.7% to 35.2%. Cost of sales in the Better Burger business improved largely due to favorable movements in beef prices, combined with expansion of our Little Big Burger brand which runs lower costs than BGR and American Burger.

- Cost of sales in the Just Fresh business remained relatively consistent percentage-wise compared with fiscal year 2017.

- Costs of sales in the Hooters business improved in our US locations, while costs increased in our UK and South Africa locations as food and alcohol costs increased.

Restaurant operating expenses

Restaurant operating expenses increased 0.6% to $23.6 million for the year ended December 31, 2018 from $23.4 million for the year ended December 31, 2017. Restaurant operating expenses by concept are summarized below for each period:

	Year Ended				
	December 31, 2018		December 31, 2017		
Operating Expenses	Amount	% of Restaurant Net Sales	Amount	% of Restaurant Net Sales	% Change
Better Burgers Fast Casual	$ 13,299,693	60.0%	$ 12,892,870	57.6%	3.2%
Just Fresh Fast Casual	2,208,083	54.5%	2,774,812	54.8%	-20.4%
Hooters Full Service	8,057,750	60.0%	7,764,442	59.4%	3.8%
	$ 23,565,526	59.4%	$ 23,432,124	57.9%	0.6%

As a percent of restaurant revenues, operating expenses increased to 59.4% for the year ended December 31, 2018 from 57.9% for the year ended December 31, 2017. Operating expenses increased due to the opening of new stores in the Better Burger group, increases in wage rates and delivery services charges and penalties and interest charges associated with delinquent payroll taxes across all concepts.

Restaurant pre-opening and closing expenses

Restaurant pre-opening and closing expenses increased to $413,000 for the year ended December 31, 2018 compared with $319,000 for the year ended December 31, 2017. The Company has more new Little Big Burger restaurants under lease due to new restaurant openings and other locations still under construction. The Company records rent and other costs to pre-opening expenses while the restaurants are under construction.

General and administrative expense ("G&A")

G&A increased 1.0% to $4.6 million for the year ended December 31, 2018 from $4.5 million for the year ended December 31, 2017. Significant components of G&A are summarized as follows:

	Year Ended		
	December 31, 2018	December 31, 2017	% Change
Audit, legal and other professional services	$ 1,250,414	$ 1,159,850	7.81%
Salary and benefits	2,064,693	2,192,825	-5.84%
Travel and entertainment	198,291	195,883	1.23%
Shareholder services and fees	68,708	129,287	-46.86%
Advertising, Insurance and other	996,682	867,651	14.87%
Total G&A Expenses	$ 4,578,788	$ 4,545,496	0.73%

As a percentage of total revenue, G&A increased to 11.3% for the year ended December 31, 2018 from 11.0% for the year ended December 31, 2017.

For the current year, approximately $2.7 million is attributable to the cost of operating our Corporate office, including salaries, travel, audit, legal and other public company related costs. Approximately $1.9 million is attributable to managing the operations of our restaurants, including regional management, franchising operations, marketing and advertising within the Better Burger Group, Hooters, and Just Fresh.

Asset impairment charges

Asset impairment charges totaled $2.0 million for the year ended December 31, 2018 as compared with $2.4 million for the year ended December 31, 2017. The Company recognized impairment charges related to the closure of one Just Fresh location and one American Burger location in Charlotte, North Carolina. In addition, the Company recognized impairment charges related to its Hooters Nottingham location of approximately $1.5 million. The impairment charges were primarily reflected in the first half of 2018, primarily from reducing goodwill based on management's intent with regard to the related store location. The Company no longer has a Letter of Intent to sell the Hooters Nottingham location.

During the year ended December 31, 2017, the Company recognized impairment charges related to the closure of three BGR store locations in the Washington D.C. area, one Just Fresh location in Charlotte and one Hooters location in South Africa. In addition, the Company recognized impairment charges related to one of its Hooters locations in the United States. The impairment charges are primarily non-cash and arise from writing leasehold improvements, intangible assets and property and equipment to estimated net realizable value based on management's intent to close or sell the related store locations. The Company also had intangible assets representing the fair value of customer contracts acquired in connection with BGR's franchise business. The Company previously determined this intangible asset to be indefinite lived based on the Company's expectations of franchisee renewals. During 2017, management revised the expected life of the BGR franchise intangible and determined that the asset was impaired, resulting in an impairment charge of $264,000.

Depreciation and amortization

Depreciation and amortization expense decreased from $2.3 million for the year ended December 31, 2017 to $2.2 million for the year ended December 31, 2018. The decrease is primarily attributable to a decrease in depreciation expense from restaurant closures in 2017 and 2018 as the assets in those stores were primarily written off at closure.

Other income (expense)

Other income (expense) consisted of the following:

	Year Ended		
Other Income (Expense)	**December 31, 2018**	**December 31, 2017**	**% Change**
Interest expense	$ (2,527,464)	$ (2,592,961)	-2.5%
Loss on extinguishment of debt	-	(95,310)	-100.0%
Other income (expense)	(17,926)	112,984	-115.9%
Total other expense	$ (2,545,390)	$ (2,575,287)	-1.2%

Other expense, net decreased to $2.5 million for the year ended December 31, 2018 from $2.6 million for the year ended December 31, 2017.

Interest expense was relatively unchanged at $2.5 million for the year ended December 31, 2018 compared to $2.6 million for the year ended December 31, 2017.

Other expense was $18,000 for the year ended December 31, 2018 compared to income of $113,000 for the prior year period. In the current year, the Company wrote down an investment which is included in other expenses.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018 COMPARED TO THE YEAR ENDED DECEMBER 31, 2017

	Year Ended	
	December 31, 2018	December 31, 2017
Net Cash Provided by (used in) Operating Activities	$ 575,217	$ (724,432)
Net Cash Used in Investing Activities	(2,442,864)	(1,164,302)
Net Cash Provided by Financing Activities	2,070,263	2,081,536
Effect of foreign currency exchange rates on cash	(10,903)	(22,884)
	$ 191,713	$ 169,918

Cash provided by operating activities was $575,000 for the year ended December 31, 2018 compared to cash used in activities of $724,000 in the prior year period. The primary drivers of the increase in cash provided by operating activities was the increase in accounts payable and accrued expenses.

Cash used in investing activities for the year ended December 31, 2018 was $2,443,000 compared to $1,164,000 in the prior year period. The primary drivers of the increase in cash used in investing activities was an increase in capital expenditures as it relates to the new Little Big Burgers that were opened in 2018.

Cash provided by financing activities for the year ended December 31, 2018 was $2,070,000 compared to cash provided by financing activities of $2,081,000 in the prior year period. The primary drivers of the cash provided by financing activities during 2018 was proceeds from the sale of common stock and warrants and the contributions from non-controlling members.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of December 31, 2018, our cash balance was $630,000, our working capital was negative $12.6 million, and we have significant near-term commitments and contractual obligations. The level of additional cash needed to fund operations and our ability to conduct business for the next twelve months will be influenced primarily by the following factors:

- our ability to access the capital and debt markets to satisfy current obligations and operate the business;
- our ability to refinance or otherwise extend maturities of current debt obligations;
- the level of investment in acquisition of new restaurant businesses and entering new markets;
- our ability to manage our operating expenses and maintain gross margins as the Company grows;
- popularity of and demand for the Company's fast-casual dining concepts; and
- general economic conditions and changes in consumer discretionary income.

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

Our operating plan for the next twelve months contemplates opening at least four additional company owned stores as well as growing our franchising businesses at Little Big Burger and BGR. We have contractual commitments related to store construction of approximately $803,000, of which we expect approximately $125,000 to be funded by private investors and approximately $678,000 will be funded internally by the Company. Of the $678,000 to be funded by the Company, $439,000 is expected to be returned to the Company via tenant improvement refunds. We also have $6 million of principal due on our debt obligations within the next 12 months and $9 million due within the next 15 months plus interest. In addition, if we fail to meet various debt covenants going forward and are notified of the default by the noteholders of the 8% non-convertible secured debentures, we may be assessed additional default interest and penalties which would increase our obligations. We expect to be able to refinance our current debt obligations during 2019 and are also exploring the sale of certain assets and raising additional capital. In May 2018, the Company completed the sale of 403,214 shares of common stock at a price of $3.50 per common share for proceeds of $1.4 million. Refer to Note 16 regarding the sale of certain assets in 2019. However, we cannot provide assurance that we will be able to refinance our long-term debt or sell assets or raise additional capital.

As we execute our growth plans over the next 12 months, we intend to carefully monitor the impact of growth on our working capital needs and cash balances relative to the availability of cost-effective debt and equity financing. In the event that capital is not available, or we are unable to refinance our debt obligations or obtain waivers, we may then have to scale back or freeze our organic growth plans, sell assets on less than favorable terms, reduce expenses, and/or curtail future acquisition plans to manage our liquidity and capital resources. We may also incur financial penalties or other negative actions from our lenders if we are not able to refinance or otherwise extend or repay our current obligations or obtain waivers.

In addition, our business is subject to additional risks and uncertainties, including, but not limited to, those described in Item 1A. “Risk Factors”.

CRITICAL ACCOUNTING POLICIES

The Company’s significant accounting policies are more fully described in Note 1 of Notes to the Consolidated Financial Statements in Item 8. The preparation of the Company’s consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions to determine certain assets, liabilities, revenues and expenses. Management bases these estimates and assumptions upon the best information available at the time of the estimates or assumptions. The Company’s estimates and assumptions could change materially as conditions within and beyond our control change. Accordingly, actual results could differ materially from estimates. The Company believes that the following are its most significant accounting policies:

Revenue recognition

On January 1, 2018, the Company adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method applied to those contracts which were not completed as of December 31, 2017. The Company elected a practical expedient to aggregate the effect of all contract modifications that occurred before the adoption date, which did not have a material impact to our consolidated financial statements. Results for reporting periods beginning on or after January 1, 2018 are presented under Accounting Standards Codification Topic 606 (“ASC 606”). Prior period amounts were not revised and continue to be reported in accordance with ASC Topic 605 (“ASC 605”), the accounting standard then in effect.

Upon adoption, the Company recorded a decrease to opening stockholders’ equity of $1,042,000 with a corresponding increase of $1,042,000 in deferred revenue. Additional franchise income of $83,000 was recognized during the year-ended December 31, 2018 under ASC 606, compared to what would have been recognized under ASC 605.

Prior to the adoption of ASC 606, the Company’s initial franchise fees were recorded as deferred revenue when received and proportionate amounts were recognized as revenue when certain milestones such as completion of employee training, lease signing, and store opening were achieved. With the adoption of ASC 606, such initial franchise fees are deferred and recognized over the franchise license term as discussed further below.

The Company generates revenues from the following sources: (i) restaurant sales; (ii) management fee income; (iii) gaming income; and (iv) franchise revenues, consisting of royalties based on a percentage of sales reported by franchise restaurants and initial signing fees.

Restaurant Sales, Net

The Company records revenue from restaurant sales at the time of sale, net of discounts, coupons, employee meals, and complimentary meals and gift cards. Sales tax and value added tax (“VAT”) collected from customers and remitted to governmental authorities are presented on a net basis within revenue in our consolidated statements of operations.

Management Fee Income

The Company receives revenue from management fees from certain non-affiliated companies, including from managing its investment in Hooters of America which are generally earned and recognized over the performance period.

Gaming Income

The Company receives revenue from operating a gaming facility adjacent to its Hooters restaurant in Jantzen Beach, Oregon. Revenue from gaming is recognized as earned from gaming activities, net of payouts to customers, taxes and government fees. These fees are recognized as they are earned based on the terms of the agreements.

Franchise Income

The Company grants franchises to operators in exchange for initial franchise license fees and continuing royalty payments. The license granted for each restaurant or area is considered a performance obligation. All other obligations (such as providing assistance during the opening of a restaurant) are combined with the license and were determined to be a single performance obligation. Accordingly, the total transaction price (comprised of the restaurant opening and territory fees) is allocated to each restaurant expected to be opened by the licensee under the contract. There are significant judgments regarding the estimated total transaction price, including the number of stores expected to be opened. We recognize the fee allocated to each restaurant as revenue on a straight-line basis over the restaurant's license term, which generally begins upon the signing of the contract for area development agreements and upon the signing of a store lease for franchise agreements. The payments for these upfront fees are generally received upon contract execution. Continuing fees, which are based upon a percentage of franchisee revenues and are not subject to any constraints, are recognized on the accrual basis as those sales occur. The payments for these continuing fees are generally made on a weekly basis.

Deferred Revenue

Deferred revenue consists of contract liabilities resulting from initial and renewal franchise license fees paid by franchisees, which are recognized on a straight-line basis over the term of the underlying franchise agreement, as well as upfront development fees paid by franchisees, which are recognized on a straight-line basis over the term of the underlying franchise agreement once it is executed or if the development agreement is terminated.

Leases

Restaurant operations lease certain properties under operating leases. Many of these lease agreements contain rent holidays, rent escalation clauses, and/or contingent rent provisions. Rent expense is recognized on a straight-line basis over the expected lease term, including cancelable option periods when failure to exercise such options would result in an economic penalty. We use a time period for straight-line rent expense calculation that equals or exceeds the time period used for depreciation. In addition, the rent commencement date of the lease term is the earlier of the date when we become legally obligated for the rent payments or the date when we take access to the grounds for build out. Accounting for leases involves significant management judgment.

Intangible Assets

Goodwill and indefinite lived intangibles

Generally accepted accounting principles in the United States require the Company to perform goodwill and indefinite lived intangible asset impairment tests annually and more frequently when negative conditions or a triggering event arise. After an assessment of certain qualitative factors, if it is determined to be more likely than not that the fair value of a reporting unit is less than its carrying amount, entities must perform the quantitative analysis of the goodwill impairment test. Otherwise, the quantitative test(s) become optional. As allowed under the amended guidance, the Company chose not to assess the qualitative factors of its reporting units and, instead, performed the quantitative tests.

Tradename/trademark

The fair value of trade name/trademarks are estimated and compared to the carrying value. The Company estimates the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from its annual long-range plan; assumed royalty rates that could be payable if the Company did not own the trademarks; and a discount rate. The Company recognizes an impairment loss when the estimated fair value of the trade name/trademarks is less than its carrying value.

Franchise Costs

Intangible assets are recorded for the initial franchise fees for our Hooter's restaurants. The Company amortizes these amounts over a 20-year period, which is the life of the franchise agreement. The Company also has intangible assets representing the acquisition date fair value of customer contracts acquired in connection with BGR's franchise business. The Company previously determined this intangible asset to be indefinite lived based on the Company's expectations of franchisee renewals. During 2017, management reevaluated the expected life of the BGR franchise intangible and determined that the asset was impaired, resulting in an impairment charge of $264 thousand. Management also revised its estimated useful life of the related intangible asset and began amortizing the related asset over the weighted average life of the underlying franchise agreements.

COMMITMENTS AND CONTINGENCIES

The Company, through its subsidiaries, leases the land and buildings for our 5 restaurants in South Africa, 1 restaurant in Nottingham, United Kingdom, and 43 restaurant locations in the U.S. The terms for our restaurant leases vary from two to twenty years and have options to extend. We lease some of our restaurant facilities under "triple net" leases that require us to pay minimum rent, real estate taxes, maintenance costs and insurance premiums and, in some instances, percentage rent based on sales in excess of specified amounts.

We also lease our corporate office space in Charlotte, North Carolina.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table presents a summary of our contractual operating lease obligations, debt and other contractual commitments as of December 31, 2018:

Contractual Obligations	Total	2019	2020	2021	2022	2023	Thereafter
Long-Term Debt Obligations	$ 6,000,000	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	$ -
Convertible Debt Obligations	3,000,000	3,000,000	-	-	-	-	-
Operating Lease Obligations	21,462,746	4,041,976	3,659,620	3,230,270	2,483,514	1,940,765	6,106,601
Purchase Obligations	803,400	803,400	-	-	-	-	-
Total	$ 31,266,146	$ 10,845,376	$ 6,659,620	$ 3,230,270	$ 2,483,514	$ 1,940,765	$ 6,106,601

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CHANTICLEER HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Chanticleer Holdings, Inc. and Subsidiaries
Charlotte, North Carolina

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Chanticleer Holdings, Inc. and Subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for the years then ended, and the related notes, (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company incurred approximately $7.2 million of net losses in each of the years ended December 31, 2018 and 2017, and the Company has working capital deficits of approximately $12.6 million and $12.9 million as of December 31, 2018 and 2017, respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's evaluations of the events and conditions and management's plans regarding those matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Cherry Bekaert LLP

We have served as the Company's auditor since 2015.

Charlotte, North Carolina
April 1, 2019

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash	$ 629,871	$ 272,976
Restricted cash	335	165,517
Accounts and other receivables, net	387,239	475,988
Inventories	478,314	460,756
Prepaid expenses and other current assets	179,377	324,324
Assets held for sale, net	-	100,000
TOTAL CURRENT ASSETS	**1,675,136**	**1,799,561**
Property and equipment, net	10,467,841	8,548,592
Goodwill	11,280,465	12,647,806
Intangible assets, net	5,123,159	5,896,732
Investments	800,000	800,000
Deposits and other assets	446,639	490,328
TOTAL ASSETS	**$ 29,793,240**	**$ 30,183,019**
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 7,386,506	$ 5,797,252
Current maturities of long-term debt and notes payable, net of unamortized discount and deferred financing costs of $0 and $1,173,190, respectively	3,740,101	5,741,911
Current maturities of convertible notes payable	3,000,000	3,000,000
Due to related parties	185,726	191,850
TOTAL CURRENT LIABILITIES	**14,312,333**	**14,731,013**
Long-term debt, net of current maturities	3,000,000	-
Convertible notes payable, net of unamortized premium of $0 and $12,256, respectively	-	212,256
Redeemable preferred stock: no par value, 62,876 shares issued and outstanding, net of discount of $173,914 and $208,697, respectively	674,912	640,129
Deferred rent	2,297,199	2,156,378
Deferred revenue	1,174,506	175,000
Deferred tax liabilities	76,765	779,359
TOTAL LIABILITIES	**21,535,715**	**18,694,135**
Commitments and contingencies		
Common stock subject to repurchase obligation; 0 and 56,290 shares issued and outstanding, respectively	-	-
Equity:		
Preferred stock: no par value; authorized 5,000,000 shares; 62,876 issued and outstanding	-	-
Common stock: $0.0001 par value; authorized 45,000,000 shares; issued and outstanding 3,715,444 and 3,045,809 shares, respectively	373	305
Additional paid in capital	64,756,903	60,750,330
Accumulated other comprehensive loss	(202,115)	(934,901)
Accumulated deficit	(57,124,673)	(49,109,303)
Total Chanticleer Holdings, Inc, Stockholders' Equity	**7,430,488**	**10,706,431**
Non-Controlling Interests	827,037	782,453
TOTAL EQUITY	**8,257,525**	**11,488,884**
TOTAL LIABILITIES AND EQUITY	**$ 29,793,240**	**$ 30,183,019**

See accompanying notes to consolidated financial statements

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations

	Year Ended	
	December 31, 2018	**December 31, 2017**
Revenue:		
Restaurant sales, net	$ 39,665,763	$ 40,495,166
Gaming income, net	402,611	442,521
Management fee income	100,000	100,000
Franchise income	445,335	395,176
Total revenue	**40,613,709**	**41,432,863**
Expenses:		
Restaurant cost of sales	13,288,422	13,692,921
Restaurant operating expenses	23,565,526	23,432,124
Restaurant pre-opening and closing expenses	412,979	319,282
General and administrative expenses	4,578,788	4,545,496
Asset impairment charge	1,959,510	2,395,616
Depreciation and amortization	2,163,585	2,282,801
Total expenses	**45,968,810**	**46,668,240**
Operating loss	**(5,355,101)**	**(5,235,377)**
Other (expense) income		
Interest expense	(2,527,464)	(2,592,961)
Loss on debt refinancing	-	(95,310)
Other income (expense)	(17,926)	112,984
Total other expense	(2,545,390)	(2,575,287)
Loss before income taxes	**(7,900,491)**	**(7,810,664)**
Income tax benefit	701,224	644,429
Consolidated net loss	**(7,199,267)**	**(7,166,235)**
Less: Net loss attributable to non-controlling interests	344,847	371,464
Net loss attributable to Chanticleer Holdings, Inc.	**$ (6,854,420)**	**$ (6,794,771)**
Dividends on redeemable preferred stock	(118,604)	(108,206)
Net loss attributable to common shareholders of Chanticleer Holdings, Inc.	**$ (6,973,024)**	**$ (6,902,977)**
Net loss attributable to Chanticleer Holdings, Inc. per common share, basic and diluted:	**$ (1.98)**	**$ (2.73)**
Weighted average shares outstanding, basic and diluted	3,520,125	2,525,037

See accompanying notes to consolidated financial statements

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Loss

	Year Ended	
	December 31, 2018	**December 31, 2017**
Net loss attributable to Chanticleer Holdings, Inc.	**$ (6,854,420)**	**$ (6,794,771)**
Foreign currency translation gain	732,786	220,757
Total other comprehensive income	732,786	220,757
Comprehensive loss	**$ (6,121,634)**	**$ (6,574,014)**

See accompanying notes to consolidated financial statements

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Statements of Equity

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Non-Controlling	
	Shares	Amount	Capital	Loss	Deficit	Interest	Total
Balance, December 31, 2016	**2,139,425**	**$ 213**	**$ 55,926,196**	**$ (1,155,658)**	**$ (42,206,325)**	**$ 791,417**	**$ 13,355,843**
Common stock and warrants issued for:							
Cash proceeds, net	499,856	50	939,662	-	-	-	939,712
Business combinations	9,006	1	27,017	-	-	-	27,018
Consulting services	86,389	10	280,659	-	-	-	280,669
Convertible debt	233,255	23	699,740	-		-	699,763
Prefered Unit dividend	20,782	2	54,002	-	(108,207)	-	(54,203)
Convetible debt beneficial conversion feature	-	-	274,167	-	-	-	274,167
Warrants issued with notes payable	-	-	1,837,397	-	-	-	1,837,397
Foreign currency translation	-	-	-	220,757	-	-	220,757
Shares subject to repurchase	56,290	6	348,990	-	-	-	348,996
Non-controlling interest contributions	-	-	362,500	-	-	362,500	725,000
Net loss	-	-	-	-	(6,794,771)	(371,464)	(7,166,234)
Round-up shares in reverse split	806	-	-	-	-	-	-
Balance, December 31, 2017	**3,045,809**	**305**	**60,750,330**	**(934,901)**	**(49,109,303)**	**782,453**	**11,488,884**
Common stock and warrants issued for:							
Cash proceeds, net	403,214	41	1,372,142	-	-	-	1,372,183
Consulting services	56,488	5	154,763	-	-	-	154,768
Convertible debt	66,667	6	199,994	-	-	-	200,000
Prefered Unit dividend	30,466	4	77,452	-	(118,604)	-	(41,148)
Accrued interest on debt	12,800	2	43,343	-	-	-	43,345
Foreign currency translation	-	-	-	732,786	-	-	732,786
Shares issued on exercise of warrants	100,000	10	289,990	-	-	-	290,000
Warrants issued in debt modification	-	-	1,494,999	-	-	-	1,494,999
Shareholder payment for short swing	-	-	5,546				5,546
Non-controlling interest contributions	-	-	-	-	-	900,000	900,000
Non-controlling interest distributions	-	-	-	-	-	(142,225)	(142,225)
Reclassification of Minority Interest	-	-	368,344	-	-	(368,344)	-
Net loss	-	-	-	-	(6,854,420)	(344,847)	(7,199,267)
Cumulative effect of change in accounting principle	-	-	-	-	(1,042,346)	-	(1,042,346)
Balance, December 31, 2018	**3,715,444**	**$ 373**	**$ 64,756,903**	**$ (202,115)**	**$ (57,124,673)**	**$ 827,037**	**$ 8,257,525**

See accompanying notes to consolidated financial statements

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

	Year Ended	
	December 31, 2018	**December 31, 2017**
Cash flows from operating activities:		
Net loss	$ (7,199,267)	$ (7,166,235)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,163,585	2,282,801
Asset impairment charge	1,959,510	2,395,616
Loss on debt refinancing	-	95,310
Loss on investments	68,101	-
Common stock and warrants issued for services	154,768	280,669
Common stock and warrants issued for interest	-	-
Amortization of debt discount	1,195,918	788,187
Change in assets and liabilities:		
Accounts and other receivables	91,798	35,154
Prepaid and other assets	116,154	22,157
Inventory	8,885	23,062
Accounts payable and accrued liabilities	2,626,504	1,039,179
Change in amounts payable to related parties	(6,124)	(2,500)
Deferred income taxes	(702,594)	(706,195)
Deferred revenue	(42,840)	-
Deferred rent	140,820	188,363
Net cash provided by (used in) operating activities	575,218	(724,432)
Cash flows from investing activities:		
Purchase of property and equipment	(2,392,864)	(1,625,460)
Cash paid for acquisitions	(50,000)	-
Proceeds from sale of property	-	461,158
Net cash used in investing activities	(2,442,864)	(1,164,302)
Cash flows from financing activities:		
Proceeds from sale of common stock and warrants	1,667,729	939,712
Proceeds from sale of redeemable preferred stock, net of offering costs of $243,480	-	348,171
Loan proceeds	100,000	6,578,090
Payment of deferred financing costs	-	(293,294)
Loan repayments	(455,242)	(6,187,738)
Payments on capital leases	-	(28,405)
Distributions to non-controlling interest	(142,225)	-
Contributions from non-controlling interest	900,000	725,000
Net cash provided by financing activities	2,070,262	2,081,536
Effect of exchange rate changes on cash	(10,903)	(22,884)
Net increase in cash and restricted cash	191,713	169,918
Cash and restricted cash, beginning of year	438,493	268,575
Cash and restricted cash, end of year	$ 630,206	$ 438,493

See accompanying notes to consolidated financial statements

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

	Year Ended	
	December 31, 2018	**December 31, 2017**
Supplemental cash flow information:		
Cash paid for interest and income taxes:		
Interest	$ 553,898	$ 839,816
Income taxes	40,589	27,631
Non-cash investing and financing activities:		
Convertible debt settled through issuance of common stock	$ 200,000	$ 625,000
Accrued interest settled through issuance of convertible debt	43,345	74,763
Preferred stock dividends paid through issuance of common stock	77,452	54,002
Commons stock issued in connection with working capital adjustment	-	27,018
Debt issued to fund acquisitions	196,366	-
Fixed asset additions included in accounts payable and accrued expenses at year end	510,788	-
Default interest liability paid in connection with warrants issued as part of debt modification	1,494,999	-

See accompanying notes to consolidated financial statements

1. NATURE OF BUSINESS

ORGANIZATION

Chanticleer Holdings, Inc. (the "Company") is in the business of owning, operating and franchising fast casual dining concepts domestically and internationally. The Company was organized October 21, 1999, under its original name, Tulvine Systems, Inc., under the laws of the State of Delaware. On April 25, 2005, Tulvine Systems, Inc. formed a wholly owned subsidiary, Chanticleer Holdings, Inc., and on May 2, 2005, Tulvine Systems, Inc. merged with, and changed its name to, Chanticleer Holdings, Inc.

The consolidated financial statements include the accounts of Chanticleer Holdings, Inc. and its subsidiaries presented below (collectively referred to as the "Company"):

Name	Jurisdiction of Incorporation	Percent Owned
CHANTICLEER HOLDINGS, INC.	**DE, USA**	
Burger Business		
American Roadside Burgers, Inc.	DE, USA	100%
American Burger Ally, LLC	NC, USA	100%
American Burger Morehead, LLC	NC, USA	100%
American Burger Prosperity, LLC	NC, USA	50%
American Roadside Burgers Smithtown, Inc.	DE, USA	100%
American Roadside McBee, LLC	NC, USA	100%
American Roadside Southpark LLC	NC, USA	100%
BGR Acquisition, LLC	NC, USA	100%
BGR Franchising, LLC	VA, USA	100%
BGR Operations, LLC	VA, USA	100%
BGR Acquisition 1, LLC	NC, USA	100%
BGR Annapolis, LLC	MD, USA	100%
BGR Arlington, LLC	VA, USA	100%
BGR Columbia, LLC	MD, USA	100%
BGR Dupont, LLC	DC, USA	100%
BGR Michigan Ave, LLC	DC, USA	100%
BGR Mosaic, LLC	VA, USA	100%
BGR Old Keene Mill, LLC	VA, USA	100%
BGR Springfield Mall, LLC	VA, USA	100%
BGR Tysons, LLC	VA, USA	100%
BGR Washingtonian, LLC	MD, USA	100%
Capitol Burger, LLC	MD, USA	100%
BT Burger Acquisition, LLC	NC, USA	100%
BT's Burgerjoint Rivergate LLC	NC, USA	100%
BT's Burgerjoint Sun Valley, LLC	NC, USA	100%

LBB Acquisition, LLC	NC, USA	100%
Cuarto LLC	OR, USA	100%
LBB Acquisition 1 LLC	OR, USA	100%
LBB Capitol Hill LLC	WA, USA	50%
LBB Franchising LLC	NC, USA	100%
LBB Green Lake LLC	OR, USA	50%
LBB Hassalo LLC	OR, USA	80%
LBB Lake Oswego LLC	OR, USA	100%
LBB Magnolia Plaza LLC	NC, USA	50%
LBB Multnomah Village LLC	OR, USA	50%
LBB Platform LLC	OR, USA	80%
LBB Progress Ridge LLC	OR, USA	50%
LBB Rea Farms LLC	NC, USA	50%
LBB Wallingford LLC	WA, USA	50%
Noveno LLC	OR, USA	100%
Octavo LLC	OR, USA	100%
Primero LLC	OR, USA	100%
Quinto LLC	OR, USA	100%
Segundo LLC	OR, USA	100%
Septimo LLC	OR, USA	100%
Sexto LLC	OR, USA	100%
Just Fresh		
JF Franchising Systems, LLC	NC, USA	56%
JF Restaurants, LLC	NC, USA	56%
West Coast Hooters		
Jantzen Beach Wings, LLC	OR, USA	100%
Oregon Owl's Nest, LLC	OR, USA	100%
Tacoma Wings, LLC	WA, USA	100%
South African Entities		
Chanticleer South Africa (Pty) Ltd.	South Africa	100%
Hooters Emperors Palace (Pty.) Ltd.	South Africa	88%
Hooters On The Buzz (Pty) Ltd	South Africa	95%
Hooters PE (Pty) Ltd	South Africa	100%
Hooters Ruimsig (Pty) Ltd.	South Africa	100%
Hooters SA (Pty) Ltd	South Africa	78%
Hooters Umhlanga (Pty.) Ltd.	South Africa	90%
Hooters Willows Crossing (Pty) Ltd	South Africa	100%
European Entities		
Chanticleer Holdings Limited	Jersey	100%
West End Wings LTD	United Kingdom	100%
Inactive Entities		
American Roadside Cross Hill, LLC	NC, USA	100%
Avenel Financial Services, LLC	NV, USA	100%
Avenel Ventures, LLC	NV, USA	100%
BGR Cascades, LLC	VA, USA	100%
BGR Chevy Chase, LLC	MD, USA	100%
BGR Old Town, LLC	VA, USA	100%
BGR Potomac, LLC	MD, USA	100%
BT's Burgerjoint Biltmore, LLC	NC, USA	100%
BT's Burgerjoint Promenade, LLC	NC, USA	100%
Chanticleer Advisors, LLC	NV, USA	100%
Chanticleer Finance UK (No. 1) Plc	United Kingdom	100%
Chanticleer Investment Partners, LLC	NC, USA	100%
Dallas Spoon Beverage, LLC	TX, USA	100%
Dallas Spoon, LLC	TX, USA	100%
DineOut SA Ltd.	England	89%
Hooters Brazil	Brazil	100%

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

The Company operates on a calendar year-end. The accounts of one of the Company's subsidiaries, Hooters Nottingham ("WEW"), was consolidated based on either a 52- or 53-week period ending on the Sunday closest to December 31, 2017. No events occurred related to the difference between the Company's reporting calendar year end and the Company's subsidiary year end that materially affected the company's financial position, results of operations, or cash flows. In 2018, WEW was consolidated on a calendar year-end.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of December 31, 2018, our cash balance was $630,000, our working capital was negative $12.6 million, and we have significant near-term commitments and contractual obligations. The level of additional cash needed to fund operations and our ability to conduct business for the next twelve months will be influenced primarily by the following factors:

- our ability to access the capital and debt markets to satisfy current obligations and operate the business;
- our ability to refinance or otherwise extend maturities of current debt obligations;
- the level of investment in acquisition of new restaurant businesses and entering new markets;
- our ability to manage our operating expenses and maintain gross margins as we grow;
- popularity of and demand for our fast-casual dining concepts; and
- general economic conditions and changes in consumer discretionary income.

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

Our operating plan for the next twelve months contemplates opening at least four additional company owned stores as well as growing our franchising businesses at Little Big Burger and BGR. We have contractual commitments related to store construction of approximately $803,000, of which we expect approximately $125,000 to be funded by private investors and approximately $678,000 will be funded internally by the Company. Of the $678,000 to be funded by the Company, $439,000 is expected to be returned to the Company via tenant improvement refunds. We also have $6 million of principal due on our debt obligations within the next 12 months and an additional $3 million due within the succeeding 3 months, plus interest. In addition, if we fail to meet various debt covenants going forward and are notified of the default by the noteholders of the 8% non-convertible secured debentures, we may be assessed additional default interest and penalties which would increase our obligations. We expect to be able to refinance our current debt obligations during 2019 and are also exploring the sale of certain assets and raising additional capital. In May 2018, the Company completed the sale of 403,214 shares of common stock at a price of $3.50 per common share for proceeds of $1.4 million. Refer to Note 16 regarding the sale of certain assets in 2019. However, we cannot provide assurance that we will be able to refinance our long-term debt or sell assets or raise additional capital.

As we execute our growth plans over the next 12 months, we intend to carefully monitor the impact of growth on our working capital needs and cash balances relative to the availability of cost-effective debt and equity financing. In the event that capital is not available, or we are unable to refinance our debt obligations or obtain waivers, we may then have to scale back or freeze our organic growth plans, sell assets on less than favorable terms, reduce expenses, and/or curtail future acquisition plans to manage our liquidity and capital resources. We may also incur financial penalties or other negative actions from our lenders if we are not able to refinance or otherwise extend or repay our current obligations or obtain waivers. As of December 31, 2018, the Company and its subsidiaries have approximately $2.3 million of accrued employee and employer taxes, including penalties and interest which are due to certain taxing authorities. These factors raise substantial doubt about our ability to continue as a going concern.

The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

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

REVENUE RECOGNITION

On January 1, 2018, the Company adopted Accounting Standards Update ("ASU") 2014-09,*Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method applied to those contracts which were not completed as of December 31, 2017. The Company elected a practical expedient to aggregate the effect of all contract modifications that occurred before the adoption date, which did not have a material impact to our consolidated financial statements. Results for reporting periods beginning on or after January 1, 2018 are presented under Accounting Standards Codification Topic 606 ("ASC 606"). Prior period amounts were not revised and continue to be reported in accordance with ASC Topic 605 ("ASC 605"), the accounting standard then in effect.

Upon adoption, the Company recorded a decrease to opening stockholders' equity of $1,042,000 with a corresponding increase of $1,042,000 in deferred revenue. Additional franchise income of $83,000 was recognized during the year-ended December 31, 2018 under ASC 606, compared to what would have been recognized under ASC 605.

Prior to the adoption of ASC 606, the Company's initial franchise fees were recorded as deferred revenue when received and proportionate amounts were recognized as revenue when certain milestones such as completion of employee training, lease signing, and store opening were achieved. With the adoption of ASC 606, such initial franchise fees are deferred and recognized over the franchise license term as discussed further below.

The Company generates revenues from the following sources: (i) restaurant sales; (ii) management fee income; (iii) gaming income; and (iv) franchise revenues, consisting of royalties based on a percentage of sales reported by franchise restaurants and initial signing fees.

Restaurant Sales, Net

The Company records revenue from restaurant sales at the time of sale, net of discounts, coupons, employee meals, and complimentary meals and gift cards. Sales tax and value added tax ("VAT") collected from customers is excluded from restaurant sales and the obligation is included in taxes payable until the taxes are remitted to the appropriate taxing authorities.

Management Fee Income

The Company receives management fee revenue from certain non-affiliated companies, including from managing its investment in Hooters of America which are generally earned and recognized over the performance period.

Gaming Income

The Company receives revenue from operating a gaming facility adjacent to its Hooters restaurant in Jantzen Beach, Oregon. Revenue from gaming is recognized as earned from gaming activities, net of payouts to customers, taxes and government fees. These fees are recognized as they are earned based on the terms of the agreements.

Franchise Income

The Company grants franchises to operators in exchange for initial franchise license fees and continuing royalty payments. The license granted for each restaurant or area is considered a performance obligation. All other obligations (such as providing assistance during the opening of a restaurant) are combined with the license and were determined to be a single performance obligation. Accordingly, the total transaction price (comprised of the restaurant opening and territory fees) is allocated to each restaurant expected to be opened by the licensee under the contract. There are significant judgments regarding the estimated total transaction price, including the number of stores expected to be opened. We recognize the fee allocated to each restaurant as revenue on a straight-line basis over the restaurant's license term, which generally begins upon the signing of the contract for area development agreements and upon the signing of a store lease for franchise agreements. The payments for these upfront fees are generally received upon contract execution. Continuing fees, which are based upon a percentage of franchisee revenues and are not subject to any constraints, are recognized on the accrual basis as those sales occur. The payments for these continuing fees are generally made on a weekly basis.

Deferred Revenue

Deferred revenue consists of contract liabilities resulting from initial and renewal franchise license fees paid by franchisees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement, as well as upfront development fees paid by franchisees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement once it is executed or if the development agreement is terminated.

Financial Statement Impact of Transition to ASC 606

Revenue recognized during fiscal year 2018 under ASC 606 and revenue that would have been recognized during fiscal year 2018 had ASC 605 been applied is as follows:

	As reported under ASC 606	If reported under ASC 605	Increase/ (Decrease)
Revenue:			
Restaurant sales, net	$ 39,665,763	$ 39,665,763	$ -
Gaming income, net	402,611	402,611	-
Management fee income	100,000	100,000	-
Franchise income	445,335	362,495	82,840
Total revenue	**$ 40,613,709**	**$ 40,530,869**	$ 82,840

Contract Balances

Opening and closing balances of contract liabilities and receivables from contracts with customers are as follows:

	December 31, 2018	December 31, 2017
Accounts Receivable	$ 227,056	$ 362,992
Royalty Receivables	5,307	14,796
Gift Card Liability	87,724	80,533
Deferred Revenue	1,174,506	175,000

BUSINESS COMBINATIONS

The Company accounts for business combinations using the acquisition method. As of the acquisition date, the acquirer recognizes, separately from goodwill, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree. Goodwill is initially measured at cost, being the excess of the cost of acquisition over the fair value of the net identifiable assets acquired and liabilities assumed. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. If the cost of acquisition is lower than the fair value of the net identifiable assets, the difference is recognized in profit. Acquisition costs are expensed as incurred.

LONG-LIVED ASSETS

Long-lived assets, such as property and equipment, and purchased intangible assets subject to depreciation and amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Some of the events or changes in circumstances that would trigger an impairment test include, but are not limited to:

- significant under-performance relative to expected and/or historical results (negative comparable sales growth or operating cash flows for two consecutive years);
- significant negative industry or economic trends;
- knowledge of transactions involving the sale of similar property at amounts below the Company's carrying value; or
- the Company's expectation to dispose of long-lived assets before the end of their estimated useful lives, even though the assets do not meet the criteria to be classified as "Held for Sale".

If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

RESTAURANT PRE-OPENING AND CLOSING EXPENSES

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

LIQUOR LICENSES

The costs of obtaining non-transferable liquor licenses that are directly issued by local government agencies for nominal fees are expensed as incurred. Annual liquor license renewal fees are expensed over the renewal term.

ACCOUNTS AND OTHER RECEIVABLES

The Company monitors its exposure for credit losses on its receivable balances and the credit worthiness of its receivables on an ongoing basis and records related allowances for doubtful accounts. Allowances are estimated based upon specific customer and other balances, where a risk of default has been identified, and also include a provision for non-customer specific defaults based upon historical experience. The majority of the Company's accounts are from customer credit card transactions with minimal historical credit risk. As of December 31, 2018 and 2017, the Company has not recorded an allowance for doubtful accounts. If circumstances related to specific customers change, estimates of the recoverability of receivables could also change.

INVENTORIES

Inventories are recorded at the lower of cost (first-in, first-out method) or net realizable value, and consist primarily of restaurant food items, supplies, beverages and merchandise.

LEASES

The Company leases certain property under operating leases. The Company also finances certain property using capital leases, with the asset and obligation recorded at an amount equal to the present value of the minimum lease payments during the lease term.

Many of these lease agreements contain rent holidays, rent escalation clauses and/or contingent rent provisions. Rent expense is recognized on a straight-line basis over the expected lease term, including cancelable option periods when failure to exercise such options would result in an economic penalty. The Company also may receive tenant improvement allowances in connection with its leases, which are capitalized as leasehold improvements with a corresponding liability recorded in the deferred rent liability line in the consolidated balance sheet. The tenant improvement allowance liability is amortized on a straight-line basis over the lease term. The rent commencement date of the lease term is the earlier of the date when the Company becomes legally obligated for the rent payments or the date when the Company takes access to the property or the grounds for build out. Certain leases contain percentage rent provisions where additional rent may become due if the location exceeds certain sales thresholds. The Company recognizes expense related to percentage rent obligations at such time as it becomes probable that the percent rent threshold will be met.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company is required to disclose fair value information about financial instruments when it is practicable to estimate that value. The carrying amounts of the Company's cash, accounts receivable, other receivables, accounts payable, accrued expenses, other current liabilities, convertible notes payable and notes payable approximate fair value due to the short-term maturities of these financial instruments and/or because related interest rates offered to the Company approximate current rates.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation. Depreciation and amortization, which includes amortization of assets held under capital leases, are recorded generally using the straight-line method over the estimated useful lives of the respective assets or, if shorter, the term of the lease for certain assets held under a capital lease. Leasehold improvements are amortized over the lesser of the expected lease term, or the estimated useful lives of the related assets using the straight-line method. Maintenance and repairs that do not improve or extend the useful lives of the assets are not considered assets and are charged to expense when incurred.

The estimated useful lives used to compute depreciation and amortization are as follows:

Leasehold improvements	5-15 years or lease life, if shorter
Restaurant furnishings and equipment	3-10 years
Furniture and fixtures	3-10 years
Office and computer equipment	3-7 years

GOODWILL

Goodwill, which is not subject to amortization, is evaluated for impairment annually as of the end of the Company's year-end, or more frequently if an event occurs or circumstances change, such as material deterioration in performance or a significant number of store closures, that would indicate an impairment may exist. Goodwill is tested for impairment at a level of reporting referred to as a reporting unit. The Company's reporting units are consistent with its operating segments.

When evaluating goodwill for impairment, the Company may first perform a qualitative assessment to determine whether it is more likely than not that a reporting unit is impaired. If we do not perform a qualitative assessment, or if we determine that it is not more likely than not that the fair value of the reporting unit exceeds its carrying amount, we perform a quantitative assessment and calculate the estimated fair value of the reporting unit. If the carrying amount of the reporting unit exceeds the estimated fair value, an impairment charge is recorded to reduce the carrying value to the estimated fair value. The Company's decision to perform a qualitative impairment assessment in a given year is influenced by a number of factors, including the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments, and the price of our common stock.

As discussed in Note 6, the Company did record an impairment charge to its goodwill balance during 2018.The Company performed a quantitative assessment and determined that no additional impairment of goodwill was necessary as of December 31, 2018. Step one of the impairment test is based upon a comparison of the carrying value of net assets, including goodwill balances, to the fair value of net assets. Fair value is measured using a discounted cash flow model approach and a market approach. The Company evaluates all methods to ensure reasonably consistent results. Additionally, the Company evaluates the key input factors in the models used to determine whether a moderate change in any input factor or combination of factors would significantly change the results of the tests.

However, management noted that the margin between the estimated fair value and carrying value was relatively narrow for its reporting units for 2018 and that the impairment assessment in future periods would be sensitive to changes in estimates of cash flow, discount rates and other assumptions increasing the risk that an impairment could be triggered in future periods. The Company is also considering various strategies to improve cash flow and reduce long term debt, which could include selling certain of its operating assets, as well as possibly closing certain underperforming store locations to improve operating cash flow.

Those strategic evaluations are ongoing, no decisions have been made, and management can provide no assurance that the Company will proceed with any asset sales, or that such asset sale can be completed on favorable terms, or at all. In the event that management does elect to proceed with asset sales and/or effect store closures in the future rather than continue to hold and operate all its assets long term, management's assessment of the fair value, and ultimate recoverability, of goodwill, intangibles, property and equipment and other assets would be impacted and the Company could incur significant noncash impairment charges and cash exit costs in future periods.

INTANGIBLE ASSETS

Trade Name/Trademark

The fair value of trade name/trademarks are estimated and compared to the carrying value. The Company estimates the fair value of trademarks using the relief-from-royalty method, which requires assumptions related to projected sales from its annual long-range plan; assumed royalty rates that could be payable if the Company did not own the trademarks; and a discount rate. Certain of the Company's trade name/trademarks have been determined to have a definite life and are being amortized on a straight-line basis over estimated useful lives of 10 years. The amortization expense of these definite-lived intangibles is included in depreciation and amortization in the Company's consolidated statement of operations. Certain of the Company's trade name/trademarks have been classified as indefinite-lived intangible assets and are not amortized, but instead are reviewed for impairment at least annually or more frequently if indicators of impairment exist.

Franchise Costs

Intangible assets are recorded for the initial franchise fees for our Hooter's restaurants. The Company amortizes these amounts over a 20-year period, which is the life of the franchise agreement. The Company also has intangible assets representing the acquisition date fair value of customer contracts acquired in connection with BGR's franchise business. The Company previously determined this intangible asset to be indefinite lived based on the Company's expectations of franchisee renewals. During 2017, management reevaluated the expected life of the BGR franchise intangible and determined that the asset was impaired, resulting in an impairment charge of $264 thousand. Management also revised its estimated useful life of the related intangible asset and began amortizing the related asset over the weighted average life of the underlying franchise agreements.

INCOME TAXES

Deferred income taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The Company has provided a valuation allowance for the full amount of the deferred tax assets.

As of December 31, 2018 and 2017, the Company had no accrued interest or penalties relating to any income tax obligations. The Company currently has no federal or state examinations in progress, nor has it had any federal or state tax examinations since its inception. The last three years of the Company's tax years are subject to federal and state tax examination.

STOCK-BASED COMPENSATION

The compensation cost relating to share-based payment transactions (including the cost of all employee stock options) is required to be recognized in the financial statements. That cost is measured based on the estimated fair value of the equity or liability instruments issued. A wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans are included.

LOSS PER COMMON SHARE

The Company is required to report both basic earnings per share, which is based on the weighted-average number of shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all diluted shares outstanding.

The following table summarizes the number of common shares potentially issuable upon the exercise of certain warrants, convertible notes payable and convertible interest as of December 31, 2018 and 2017, which have been excluded from the calculation of diluted net loss per common share since the effect would be antidilutive.

	December 31, 2018	December 31, 2017
Warrants	3,684,762	2,362,615
Convertible notes	300,000	366,667
Accrued interest on convertible notes	-	18,681
Total	3,984,762	2,747,963

ADVERTISING

Advertising costs are expensed as incurred. Advertising expenses which are included in restaurant operating expenses and general and administrative expenses in the accompanying consolidated statement of operations, totaled $0.4 million and $0.5 million for the years ended December 31, 2018 and 2017, respectively.

AMORTIZATION OF DEBT DISCOUNT

The Company has issued various debt instruments with warrants and conversion features for which total proceeds were allocated to individual instruments based on the relative fair value of each instrument at the time of issuance. The relative fair value of the warrants and conversion was recorded as discount on debt and amortized over the term of the respective debt. For the years ended December 31, 2018 and 2017, amortization of debt discount was $1.2 million and $0.8 million, respectively.

FOREIGN CURRENCY TRANSLATION

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

COMPREHENSIVE INCOME (LOSS)

Standards for reporting and displaying comprehensive income (loss) and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements requires that all items that are required to be recognized under accounting standards as components of comprehensive income (loss) be reported in a financial statement that is displayed with the same prominence as other financial statements. We are required to (a) classify items of other comprehensive income (loss) by their nature in financial statements, and (b) display the accumulated balance of other comprehensive income (loss) separately in the equity section of the balance sheet for all periods presented. Other comprehensive income (loss) items include foreign currency translation adjustments, and the unrealized gains and losses on our marketable securities classified as held for sale.

CONCENTRATION OF CREDIT RISK

The Company maintains its cash with major financial institutions. Cash held in U.S. bank institutions is currently insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 at each institution. No similar insurance or guarantee exists for cash held in South Africa or the United Kingdom bank accounts. There was approximately $97,000 and $202,000 in aggregate uninsured cash balances at December 31, 2018 and 2017, respectively.

RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements at December 31, 2017 and for the period then ended to conform to the current year presentation. The reclassifications had no effect on consolidated net loss.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, ***Revenue from Contracts with Customers***, and created Topic 606 (ASC 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASC 606 replaced most existing revenue recognition guidance in GAAP and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017.

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new standard also requires significantly more comprehensive disclosures than the existing standard. Guidance subsequent to ASU 2014-09 has been issued to clarify various provisions in the standard, including principal versus agent considerations, identifying performance obligations, licensing transactions, as well as various technical corrections and improvements.

In January 2016, the FASB issued ASU 2016-01, ***Recognition and Measurement of Financial Assets and Financial Liabilities***, that amends the guidance on the classification and measurement of financial instruments (Subtopic 825-10). ASU 2016-01 becomes effective in fiscal years beginning after December 15, 2017, including interim periods therein. ASU 2016-01 removes equity securities from the scope of Accounting Standards Codification ("ASC") Topic 320 and creates ASC Topic 321, *Investments – Equity Securities*. Under the new guidance, all equity securities with readily determinable fair values are measured at fair value on the statement of financial position, with changes in fair value recorded through earnings. The update eliminates the option to record changes in the fair value of equity securities through other comprehensive income. Transitional guidance provided that entities with unrealized gains or losses on available for sale ("AFS") equity securities were required to reclassify those amounts to beginning retained earnings in the year of adoption. The Company adopted the guidance within ASU 2016-01 as of January 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, ***Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*** ASU 2016-15 clarifies how cash receipts and cash payments in certain transactions are presented and classified in the statement of cash flows. The effective date of this update is for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The update requires retrospective application to all periods presented but may be applied prospectively if retrospective application is impracticable. The Company adopted the guidance within ASU 2016-15 as of January 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, ***Statement of Cash Flows (Topic 230): Restricted Cash***. ASU 2016-18 requires that the statement of cash flows explain the changes in the combined total of restricted and unrestricted cash balance. Amounts generally described as restricted cash or restricted cash equivalents will be combined with unrestricted cash and cash equivalents when reconciling the beginning and end of period balances on the statement of cash flows. Further, the ASU requires a reconciliation of balances from the statement of cash flows to the balance sheet in situations in which the balance sheet includes more than one-line item of cash, cash equivalents, and restricted cash. Companies will also be disclosing the nature of the restrictions. ASU 2016-18 is effective for financial statements issued for fiscal years beginning after December 15, 2017. The Company adopted the guidance within ASU 2016-18 as of January 1, 2018. The impact of ASU 2016-18 on its financial statements was as follows: (1) changes in restricted cash balances are no longer shown in the statements of cash flows as previously presented in investing activities, as these balances are now included in the beginning and ending cash balances in the statements of cash flows.

In January 2017, the FASB issued ASU 2017-01, ***Clarifying the Definition of a Business (Topic 805)*.** This ASU clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for fiscal years that begin after December 15, 2017 and is to be applied prospectively. The Company adopted the guidance within ASU 2017-01 as of January 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, ***Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting***, which provides guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting. This update is effective for all entities for fiscal years beginning after December 15, 2017, and interim periods within those years. The Company adopted the guidance within ASU 2017-01 as of January 1, 2018. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, ***Leases (Topic 842)***. The new standard provides that a lessee should recognize the assets and the liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of twelve months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from the previous GAAP. The standard is effective for fiscal years beginning after December 15, 2018, including interim periods within such fiscal year, with early adoption permitted. The ASU requires a modified retrospective transition method with the option to elect a package of practical expedients.

The Company will adopt the standard on January 1, 2019, electing the optional transition method to apply the standard as of the transition date. As a result, the Company will not apply the standard to the comparative periods presented.

The Company has elected the transition package of three practical expedients permitted under the new standard, which among other things, allows us to carryforward our historical lease classifications. The Company also made certain accounting policy elections for new leases post-transition, including the election to combine components.

The adoption will have a significant impact to our consolidated balance sheet given the extent of the Company's real estate lease portfolio. The Company will derecognize all landlord funded assets, deemed financing liabilities and deferred rent liabilities upon transition. The Company will record a right-of-use asset and lease liability for those leases as well as all other existing leases, the majority of which are real estate operating leases. The Company expects the adoption to result in a net increase of between $16 million to $17 million in lease assets and lease liabilities. The difference between the additional lease assets and lease liabilities, net of tax, will be recorded as an adjustment through equity. We are substantially complete with our implementation efforts.

In June 2016, the FASB issued ASU 2016-13, ***Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments***. This standard significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income, including trade receivables. The standard requires an entity to estimate its lifetime "expected credit loss" for such assets at inception, and record an allowance that, when deducted from the amortized cost basis of the financial asset, presents the net amount expected to be collected on the financial asset. For public business entities that are SEC filers, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, and interim periods therein. The Company is currently evaluating the impact of the adoption of the standard on its consolidated financial statements and disclosures.

In January 2017, the FASB issued ASU 2017-04, ***Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment***. This ASU simplifies how an entity is required to test goodwill for impairment by eliminating Step Two from the goodwill impairment test. Step Two measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under this standard, an entity will recognize an impairment charge for the amount by which the carrying value of a reporting unit exceeds its fair value. The standard is effective for any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and is to be applied prospectively. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company early adopted as of December 31, 2018 in its annual goodwill impairment test.

3. ACQUISITIONS

On March 7, 2018, the Company entered into an agreement to purchase two BGR franchise locations in Maryland. The Company closed on the purchase of the Annapolis, MD location in the first quarter of 2018 and the Company closed on the Colombia, MD location as of October 1, 2018.

Total consideration consisted of $30,000 in cash paid and a seller note of $9,600 upon the closing of the first location and $20,000 in cash and a seller note of $187,000 upon closing of the second location in October.

The Company allocates the purchase price as of the date of acquisition based on the estimated fair value of the acquired assets and assumed liabilities. The purchase accounting for this acquisition is complete as of December 31, 2018. No proforma information is included as the proforma impact of the acquisition is not material to the consolidated financial statements as of December 31, 2018.

4. INVESTMENTS

Investments at cost consist of the following at December 31, 2018 and 2017:

	2018	2017
Chanticleer Investors, LLC	$ 800,000	$ 800,000

Chanticleer Investors LLC – The Company invested $800,000 during 2011 and 2012 in exchange for a 22% ownership stake in Chanticleer Investors, LLC, which in turn holds a 3% interest in Hooters of America, the operator and franchisor of the Hooters Brand worldwide. As a result, the Company's effective economic interest in Hooters of America is approximately 0.6%.

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following at December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Leasehold improvements	$ 12,030,450	$ 9,941,223
Restaurant furniture and equipment	6,389,305	5,952,934
Construction in progress	1,015,853	176,939
Office and computer equipment	73,681	71,965
Office furniture and fixtures	76,486	76,486
	19,585,775	16,219,547
Accumulated depreciation and amortization	(9,117,934)	(7,670,955)
	$ 10,467,841	$ 8,548,592

Depreciation and amortization expense was $1,642,943 and $1,950,021 for the years ended December 31, 2018 and 2017, respectively.

6. INTANGIBLE ASSETS, NET

GOODWILL

Goodwill consist of the following at December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Hooters Full Service	$ 3,335,862	$ 4,703,203
Better Burgers Fast Casual	7,448,848	7,448,848
Just Fresh Fast Casual	495,755	495,755
	$ 11,280,465	$ 12,647,806

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

	December 31, 2018	December 31, 2017
Beginning Balance	$ 12,647,806	$ 12,405,770
Impairment	(1,191,111)	-
Foreign currency translation gain (loss)	(176,230)	242,036
Ending Balance	$ 11,280,465	$ 12,647,806

The Company entered into letters of intent for the sale of its Hooters Nottingham and Hooters Tacoma locations in the first quarter of 2018 and the assets of those operations were reclassified to Assets Held for Sale on the consolidated balance sheet with impairment charges recognized totaling $1.5 million for the year ended December 31, 2018. The impairment charges primarily consisted of impairment of goodwill, net of a reversal of approximately $887,000 of foreign exchange losses previously classified in Other Comprehensive Loss.

The letters of intent for Hooters Nottingham and Hooters Tacoma have expired. Management is continuing to explore potential to sell both locations; however, there is not a specific program underway currently to locate a buyer or that would otherwise indicate that a disposal is imminent. Accordingly, as of September 30, 2018, management determined that it was appropriate to reclassify those locations from held for sale to operating assets. As of December 31, 2018, management believes that the carrying amount of the assets, following the $1.5 million impairment charge, continues to reflect the net realizable value of the properties and that no additional impairment adjustment is warranted at this time.

An evaluation was completed effective December 31, 2018 at which time the Company determined that no additional impairment was necessary for any of the Company's reporting units.

OTHER INTANGIBLE ASSETS

Franchise and trademark/tradename intangible assets consist of the following at December 31, 2018 and December 31, 2017:

	Estimated Useful Life	December 31, 2018	December 31, 2017
Trademark, Tradenames:			
Just Fresh	10 years	$ 1,010,000	$ 1,010,000
American Roadside Burger	10 years	1,786,930	1,786,930
BGR: The Burger Joint	Indefinite	1,430,000	1,430,000
Little Big Burger	Indefinite	1,550,000	1,550,000
		5,776,930	5,776,930
Acquired Franchise Rights			
BGR: The Burger Joint	7 years	827,757	1,056,000
Franchise License Fees:			
Hooters South Africa	20 years	234,242	273,194
Hooters Pacific NW	20 years	89,507	74,507
Hooters UK	5 years	12,422	13,158
		336,171	360,859
Total Intangibles at cost		6,940,858	7,193,789
Accumulated amortization		(1,817,699)	(1,297,057)
Intangible assets, net		$ 5,123,159	$ 5,896,732

	Periods Ended	
	December 31, 2018	December 31, 2017
Amortization expense	$ 520,642	$ 302,879

7. DEBT AND NOTES PAYABLE

Debt and notes payable are summarized as follows:

	December 31, 2018	December 31, 2017
Notes Payable, net of discount of $1,173,190 at December 31, 2017 (a)	$ 6,000,000	$ 4,826,610
Notes Payable Paragon Bank (b)	319,983	572,276
Note Payable (c)	75,000	75,000
Receivables financing facilities (d)	124,205	76,109
Notes Payable (e)	144,004	-
Bank overdraft facilities, South Africa, annual renewal	76,909	164,619
Equipment financing arrangements, South Africa	-	27,297
Total debt	**6,740,101**	**5,741,911**
Current portion of long-term debt	**3,740,101**	**5,741,911**
Long-term debt, less current portion	**$ 3,000,000**	**$ -**

For the year ended December 31, 2018 and 2017, amortization of debt discount was $1,173,190 and $782,260, respectively.

(a) On May 4, 2017, pursuant to a Securities Purchase Agreement, the Company issued 8% non-convertible secured debentures in the principal amount of $6,000,000 and warrants to purchase 1,200,000 shares of common stock (as adjusted for the Company's subsequent one-for-ten reverse stock split) to accredited investors. The debentures bear interest at a rate of 8% per annum, payable in cash quarterly in arrears. The debentures mature on December 31, 2018 and contain customary financial and other covenants, including a requirement to maintain positive annual earnings before interest, taxes, depreciation and amortization. The debentures are secured by a second priority security interest on the Company's assets and the obligation is guaranteed by the Company's subsidiaries. The debentures contain a mandatory redemption provision that is triggered by an asset sale. Sale of greater than 33% of the Company's assets will also trigger an event of default. Upon any event of default, in addition to other customary remedies, the holders have the right, at their sole option, to purchase Little Big Burger from the Company, for an aggregate purchase price of $6,500,000. The warrants have an exercise price of $3.50 (as adjusted for the reverse stock split) and a ten-year term. Warrants to purchase 800,000 shares include a beneficial ownership limit upon exercise of 4.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock issuable upon exercise of the warrant; warrants to purchase the remaining 400,000 shares were amended to increase the beneficial ownership limit upon exercise to 19.99%. The shares of common stock underlying the warrants have registration rights, and, if the warrant shares were not registered, the holders would have the right to cashless exercise. The registration statement underlying the warrants was declared effective on October 30, 2017.

In conjunction with the financing described above, the Company entered into a Satisfaction, Settlement and Release Agreement with Florida Mezzanine Fund LLLP, a Florida limited liability partnership ("Florida Mezz"), pursuant to which Florida Mezz agreed to release the Company from all claims and outstanding obligations pursuant to that certain Assumption Agreement dated September 30, 2014, as amended October 15, 2014 and October 22, 2016, and that certain Agreement dated May 23, 2016, as amended January 30, 2017, in exchange for payment of $5,000,000.

Five million dollars of the net proceeds from the offering were remitted to Florida Mezz, $500,000 was reserved to fund the opening of new stores, and the balance of $206,746, after transaction expenses, was used for working capital and general corporate purposes. As of December 31, 2018, $335 of the proceeds reserved to fund the opening of new stores remains unexpended and has been presented as restricted cash in the accompanying 2018 consolidated balance sheet.

As a result of the issuance of the debentures and the settlement of the Florida Mezz obligations subsequent to March 31, 2016, the $5 million notes payable are no longer outstanding, the Company's share repurchase obligation from Florida Mezz has been terminated and Florida Mezz waived unpaid interest and penalties previously recorded in the Company's consolidated financial statements which resulted in the Company recognizing a gain of $267,512. As a result, the shares subject to repurchase have been reclassified from temporary equity to permanent capital and the amounts accrued for interest and penalties reversed effective as of May 14, 2017.

The $6 million loan was accounted for as a new borrowing with consideration allocated between the loan and the warrants based upon the relative fair value of the loan and the warrants. The Company valued the warrants associated with the new debt obligation using the Black-Sholes model, which resulted in the allocation of $1.7 million to additional paid in capital with a corresponding offset to debt discount. In addition, there were $0.3 million in debt origination costs that are also accounted for as an offset to outstanding debt. The resulting debt discount of $2.0 million was amortized to interest expense over the 20-month term of the notes (amount was fully amortized at December 31, 2018).

The Company entered into an amendment to the 8% non-convertible secured debentures in December 2018. The maturity date was extended to March 31, 2020; provided however, if 50% of the principal balance of the debentures is not paid on or prior to December 31, 2019, the holders of the debentures in the aggregate principal amount greater than $3 million, acting together, may demand full and immediate payment to the Company upon 15 days' written notice. In addition, each holder received new warrants to purchase 1,200,000 shares of common stock. The warrants have an exercise price of $2.25 and are not exercisable for a period of six months. This amendment was accounted for as a debt modification and the fair value of the warrants, determined using the Black-Scholes model, of $1.5 million was recorded as additional paid-in-capital at December 31, 2018. In connection with the debt modification, $1.5 million of accrued default interest on the 8% non-convertible secured debentures was written off.

(b) The Company has two outstanding term loans with Paragon Bank, all of which are collateralized by all assets of the Company and personally guaranteed by our Chief Executive Officer. The outstanding balance, interest rate and maturity date of each loan is as follows:

	Maturity date	Interest rate	Principal balance
Note 1	5/10/2019	5.25%	$ 68,451
Note 2	8/10/2021	6.50%	251,532
			$ 319,983

(c) The Company has a promissory note payable on demand in the amount of $75,000 with 800 shares of restricted company common stock to be paid to the lender each month while the note is outstanding.

(d) During February 2017, in consideration for proceeds of $330,000, the Company agreed to make payments of $1,965 per day for 210 days. As of October 2017, the daily payment amount was modified to $1,200 per day and the term was extended to February 2018, with total remittance over the life of the loan unchanged. During March 2017 in consideration for proceeds of $150,000, the Company agreed to make payments of $856 per day for 240 days. Lastly, during October 2018, in consideration for proceeds of $100,000, the Company agreed to make payments of $585 per day for 220 days. The Company granted a security interest in the credit card receivables of the specified restaurants in connection with the Receivables Financing Agreements. Total outstanding on these advances is $124,205 at December 31, 2018

(e) In connection with the assets acquired from the two BGR franchisees, the Company entered into notes payable of $9,600 and $187,000 during 2018. The notes bear interest at 4% and are due within 12 months of each acquisition date. Principal and interest payments are due monthly. The total outstanding on these two notes is $144,004 at December 31, 2018.

The Company's various loan agreements contain financial and non-financial covenants and provisions providing for cross-default. The evaluation of compliance with these provisions is subject to interpretation and the exercise of judgment.

As of December 31, 2018, management concluded that no conditions exist that represent events of technical default under the 8% non-convertible secured debentures. The default interest that had been accrued previously was written off against the fair value of the warrants that were issued in the December 2018 amendment to the 8% non-convertible secured debentures. In accordance with the December 2018 amendment, the holders of the 8% non-convertible secured debentures must notify the Company if there is an event of default for the default provisions to be triggered. Conditions may exist whereby the Company has failed a covenant, but the default provisions have not yet been triggered as the Company has not received notice from the noteholders.

As of December 31, 2017, management concluded that conditions existed that represented events of technical default under one or more of its note or convertible note obligations. Management quantified the potential penalties and default interest that could be assessed in the event the loans were deemed by its lenders to be in default. Accordingly, the Company recorded a liability for potential maximum default interest and penalties of $881,000 as accrued interest in the accompanying consolidated financial statements of December 31, 2017.

8. CONVERTIBLE NOTES PAYABLE

Convertible Notes payable are summarized as follows:

	December 31, 2018	December 31, 2017
6% Convertible notes payable due June 2018 (a)	$ 3,000,000	$ 3,000,000
8% Convertible notes payable due March 2019 (b)	-	200,000
Premium on above convertible note	-	12,256
Total Convertible notes payable	**3,000,000**	**3,212,256**
Current portion of convertible notes payable	**3,000,000**	**3,000,000**
Convertible notes payable, less current portion	**$ -**	**$ 212,256**

(a) On August 2, 2013, the Company entered into an agreement with seven individual accredited investors, whereby the Company issued separate 6% Secured Subordinate Convertible Notes for a total of $3,000,000 in a private offering and is collateralized by the assets of the Hooters Nottingham restaurant and a subordinate position to all other assets of the Company. In connection with the Company's agreement to conduct capital raise in 2016, the lenders agreed to waive certain existing defaults and extended the original note maturity by eighteen months from December 31, 2016 to June 30, 2018. As of December 31, 2018, these convertible notes payable remain outstanding.

(b) On February 22, 2018, $200,000 of the Company's convertible debt was converted into 66,667 shares of Company common stock in accordance with the terms of the convertible debt agreements.

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are summarized as follows:

	December 31, 2018	December 31, 2017
Accounts payable and accrued expenses	$ 2,096,642	$ 3,678,691*
Accrued taxes (VAT, Sales, Payroll, etc.)	3,243,806	826,305
Accrued income taxes	61,790	83,878
Accrued interest	1,984,268	1,208,378
	$ 7,386,506	$ 5,797,252

*Amount excludes deferred revenue which is broken out separately on the balance sheet in this 10-K filing.

As of December 31, 2018, approximately $2.3 million of employee and employer taxes, including penalties and interest, have been accrued but not remitted to certain taxing authorities by the Company and its subsidiaries for cash compensation paid. As a result, the Company and its subsidiaries are liable for such payroll taxes and any related penalties and interest.

10. INCOME TAXES

The breakout of the loss from continuing operations before income taxes between domestic and foreign operations is below:

	2018	2017
Loss before income taxes		
United States	$ (6,550,167)	$ (6,925,267)
Foreign	(1,350,324)	(885,397)
	$ (7,900,491)	$ (7,810,664)

The income tax benefit for the years ended December 31, 2018 and 2017 consists of the following:

	2018	2017
Foreign		
Current	$ 1,803	$ 61,766
Deferred	18,216	265,809
Change in Valuation Allowance	(8,010)	(277,126)
U.S. Federal		
Current	-	-
Deferred	(1,305,934)	2,682,311
Change in Valuation Allowance	291,721	(3,362,028)
State and Local		
Current	-	-
Deferred	(99,938)	65,450
Change in Valuation Allowance	400,918	(80,611)
	$ (701,224)	$ (644,429)

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act (the “2017 Tax Act”). The 2017 Tax Act includes a number of changes to existing U.S. tax laws that impact the company, most notably a reduction of the U.S. corporate income tax rate from 35 percent to 21 percent for tax years beginning after December 31, 2017.

The benefit for income tax using statutory U.S. federal tax rate of 21% is reconciled to the Company's effective tax rate as of December 31, 2018 and 2017 is as follows:

	2018	2017
Computed "expected" income tax benefit	$ (1,659,103)	$ (2,392,649)
State income taxes, net of federal benefit	(99,938)	(276,243)
Noncontrolling interest	87,389	140,879
Permanent Items	147,602	4,025
Capital loss expiration	50,220	-
Federal expense of tax rate change	-	4,836,697
Foreign Tax Expense	1,803	61,766
Other	86,174	169,244
Change in valuation allowance	684,629	(3,188,148)
	$ (701,224)	$ (644,429)

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for tax purposes. Major components of deferred tax assets at December 31, 2018 and 2017 were:

	2018	2017
Net operating loss carryforwards	$ 11,106,000	$ 10,279,350
Capital loss carryforwards	-	50,226
Section 1231 loss carryforwards	79,869	78,176
Charitable contribution carryforwards	23,770	22,618
Section 163(j) limitation	479,264	-
Other	91,764	10,154
Restaurant startup expenses	23,369	-
Accrued expenses	159,623	68,477
Deferred occupancy liabilities	128,936	151,531
Revenue recognition	243,059	-
Total deferred tax assets	12,335,654	10,660,532
Property and equipment	-	(72,553)
Other asset and liability impairment	(122,326)	(62,008)
Investments	(204,863)	(114,519)
Intangibles and Goodwill	(432,572)	(465,841)
Total deferred tax liabilities	(759,761)	(714,921)
Net deferred tax assets	11,575,893	9,945,611
Valuation allowance	(11,652,658)	(10,724,970)
	$ (76,765)	$ (779,359)

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. Accordingly, the Company's deferred tax assets and liabilities were remeasured to reflect the reduction in the U.S. corporate income tax rate from 35 percent to 21 percent, resulting in approximately a $414,000 increase in income tax benefit for the year ended December 31, 2017 and a corresponding $414,000 decrease in net deferred tax liabilities as of December 31, 2017.

As of December 31, 2018 and 2017, the Company has U.S. federal and state net operating loss carryovers of approximately $41,266,000 and $38,590,000 respectively, which will expire at various dates beginning in 2031 through 2036, if not utilized with exception of loss carryovers generated in 2018. As a result of TCJA, net operating losses generated in 2018 and beyond have indefinite lives. As of December 31, 2018 and 2017 the Company has foreign net operating loss carryovers of approximately $2,330,000 and $2,360,000 (for South Africa), respectively. Depending on the jurisdiction, some of these net operating loss carryovers will begin to expire within 5 years, while other net operating losses can be carried forward indefinitely as long as the company is trading. In accordance with Section 382 of the internal revenue code, deductibility of the Company's U.S. net operating loss carryovers may be subject to an annual limitation in the event of a change of control as defined under the Section 382 regulations. Quarterly ownership changes for the past 3 years were analyzed and it was determined that there was no change of control as of December 31, 2018.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the years ended December 31, 2018 and December 31, 2017 the change in valuation allowance was approximately $927,688 and ($2,904,457), respectively. The change in the valuation allowance for the year ended December 31, 2018 is net of the deferred tax adjustment from the implementation of ASC 606.

The Company evaluated the provisions of ASC 740 related to the accounting for uncertainty in income taxes recognized in their financial statements. ASC 740 prescribes a comprehensive model for how a company should recognize, present, and disclose uncertain positions that the company has taken or expects to take in its return. For those benefits to be recognized, a tax position must be more-likely-than- not to be sustained upon examination by taxing authorities. Differences between two positions taken or expected to be taken in a tax return and the benefit recognized and measured pursuant to the interpretation are referred to as “unrecognized benefits”. A liability is recognized for an unrecognized tax benefit because it represents an enterprise’s potential future obligation to the taxing-authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.

Interest related to uncertain tax positions are required to be calculated, if applicable, and would be classified as “interest expense” in the two statements of operations. Penalties would be recognized as a component of “general and administrative expenses”. As of December 31, 2018 and 2017, no interest or penalties were required to be reported.

The Company previously did not record a provision for taxes on undistributed foreign earnings, based on an intention and ability to permanently reinvest the earnings of its foreign subsidiaries in those operations. Under the Tax Cuts and Jobs Act, the Company has re-assessed its strategies by evaluating the impact of the Tax Cuts and Jobs Act on its operations. As a result of the Act, the Company analyzed if a liability needed to be recorded for the deemed repatriation of undistributed earnings. It was determined that there is a $0 outstanding liability associated with this based on overall negative undistributed earnings (accumulated deficit) in the consolidated foreign group.

Additionally, the Company had previously recorded a deferred tax liability associated with deemed repatriated earnings from UK, based on the Tax Cuts and Jobs Act, any future repatriation of dividends would qualify for a full participation exemption, thus removing the deferred tax liability as of December 31, 2017. The full value of the liability was previously fully offset but carryover NOLs, thus there is not impact to the overall tax expense of the Company.

During the 2018 fiscal year, numerous provisions of the TCJA went into effect. The Company evaluated these provisions and incorporated the estimated impact in the 2018 income tax expense. These provisions include, but are not limited to, reductions in the corporate income tax rate with regard to current income taxes, limitations with regard to interest expense under IRC §163(j) that disallows a portion of interest expense but is carried forward with no future expiration, changes to the deductibility of meals and entertainment, changes to bonus depreciation and a reduced tax rate on foreign export sales.

An additional provision of the TJCA is the implementation of the Global Intangible-Low Taxed Income Tax, or “GILTI.” The Company has elected to account for the impact of GILTI in the period in which the tax actually applies to the Company. During fiscal 2018, the Company incurred less than $100,000 of additional taxable income as a result of this provision. This increase of taxable income was incorporated into the overall net operating loss and valuation allowance.

11. EQUITY

The Company had 45,000,000 shares of its $0.0001 par value common stock authorized at both December 31, 2018 and December 31, 2017. The Company had 3,715,444 and 3,045,809 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively.

The Company has 5,000,000 shares of its no par value preferred stock authorized at both December 31, 2018 and December 31, 2017. Beginning in December 2016, the Company conducted a rights offering of units, each unit consisting of one share of 9% Redeemable Series 1 Preferred Stock ("Series 1 Preferred") and one Series 1 Warrant ("Series 1 Warrant") to purchase 10 shares of common stock. Holders of the Series 1 Preferred are entitled to receive cumulative dividends out of legally available funds at the rate of 9% of the purchase price per year for a term of seven years, payable quarterly on the last day of March, June, September and December in each year in cash or registered common stock. Shares of common stock issued as dividends will be issued at a 10% discount to the five-day volume weighted average price per share of common stock prior to the date of issuance. Dividends will be paid prior to any dividend to the holders of common stock. The Series 1 Preferred is non-voting and has a liquidation preference of $13.50 per share, equal to its purchase price. Chanticleer is required to redeem the outstanding Series 1 Preferred at the expiration of the seven-year term. The redemption price for any shares of Series 1 Preferred will be an amount equal to the $13.50 purchase price per share plus any accrued but unpaid dividends to the date fixed for redemption.

As of December 31, 2018 and 2017, 62,876 shares of preferred stock were issued pursuant to the Preferred Stock Units rights offering.

On October 12, 2017, the Company entered into a Securities Purchase Agreement with institutional and accredited investors in a registered direct offering for the sale of 499,856 shares of common stock at a purchase price of $2.00 per share, for a total gross purchase price of $939,712. The Securities Purchase Agreement contains customary representations, warranties and covenants. The Company also agreed to issue unregistered 5 ½ year warrants to purchase up to 499,857 shares of common stock ("Warrants") to the investors in a concurrent private placement at an exercise price of $3.50 per share. The Company has agreed to register the resale of the common shares underlying the Warrants and the registration was declared effective in October 2017. The Warrants are exercisable for cash in full commencing six months after the issuance date.

On May 3, 2018, the Company entered into a Securities Purchase Agreement with institutional and accredited investors in a registered direct offering for the sale of 403,214 shares of common stock at a purchase price of $3.50 per share, for a total gross purchase price of approximately $1,411,249 pursuant to a Securities Purchase Agreement dated May 3, 2018 with institutional and accredited investors in a registered direct offering. The Company also has issued warrants to investors in connection with financing transactions. Fair value of any warrant issuances is valued utilizing the Black-Scholes model. The model includes subjective input assumptions that can materially affect the fair value estimates. The expected stock price volatility for the Company's warrants was determined by the historical volatilities for industry peers and used an average of those volatilities. The Company also agreed to issue unregistered 5 ½ year warrants to purchase up to 403,214 shares of common stock to the investors in a concurrent private placement at an exercise price of $4.50 per share. The Company has agreed to register the resale of the common shares underlying the warrants, which has been completed. The warrants are exercisable for cash in full commencing six months after the issuance date. The warrants qualified for equity accounting.

Oak Ridge Financial Services Group, Inc., a registered broker-dealer acted as placement agent for the offering and received, as compensation, 7% of gross proceeds of the amounts subscribed by institutional investors introduced by Oak Ridge, for an aggregate commission of $36,767 and legal expenses in an amount less than $2,500.

The offering was made pursuant to a prospectus supplement filed with the Securities and Exchange Commission on March 8, 2018 and an accompanying prospectus dated October 16, 2017, pursuant to Chanticleer's shelf registration statement on Form S-3 that was filed with the Securities and Exchange Commission on April 27, 2015, amended on June 3, 2015 and became effective on June 9, 2015.

Options and Warrants

The Company's shareholders have approved the Chanticleer Holdings, Inc. 2014 Stock Incentive Plan (the "2014 Plan"), authorizing the issuance of options, stock appreciation rights, restricted stock awards and units, performance shares and units, phantom stock and other stock-based and dividend equivalent awards. Pursuant to the approved 2014 Plan, 400,000 shares post stock-split have been approved for grant.

As of December 31, 2018, the Company had issued 109,536 restricted and unrestricted shares on a cumulative basis under the plan pursuant to compensatory arrangements with employees, board members and outside consultants. The Company issued 15,000 restricted stock units to employees in 2016 and none since that date. No employee stock options have been issued or are outstanding as of December 31, 2018 and December 31, 2017. Approximately 275,464 shares remained available for grant in the future.

On October 1, 2018, the maturity dates for warrants covering 201,974 shares of common stock with strike prices ranging from $55.00 to $70.00 per share were extended from October 1, 2018 to October 1, 2020.

A summary of the warrant activity during the years ended December 31, 2018 and 2017 is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding January 1, 2017	922,203	$ 49.80	1.7
Granted	1,699,857	3.50	-
Exercised	-	-	-
Forfeited	(259,445)	51.01	-
Outstanding December 31, 2017	2,362,615	16.34	2.2
Granted	1,603,214	2.82	
Exercised	(100,000)	3.50	
Forfeited	(181,067)	50.28	7.1
Outstanding December 31, 2018	3,684,762	$ 9.14	7.1
Exercisable December 31, 2018	3,684,762	$ 9.14	7.1

Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life in Years	Exerciseable Number of Warrants
$ >40.00	313,451	1.4	313,451
$ 30.00-$39.99	39,990	0.9	39,990
$ 20.00-$29.99	77,950	1.1	77,950
$ 10.00-$19.99	50,300	2.5	50,300
$ 0.00-$9.99	3,203,071	8.0	3,203,071
	3,684,762	7.1	3,684,762

12. RELATED PARTY TRANSACTIONS

Due to related parties

The Company has received non-interest-bearing loans and advances from related parties. The amounts owed by the Company as of December 31, 2018 and 2017 are as follows:

	December 31, 2018	December 31, 2017
Chanticleer Investors, LLC	$ 185,726	$ 191,850
	$ 185,726	$ 191,850

The amount from Chanticleer Investors LLC is related to cash distributions received from Chanticleer Investors LLC's interest Hooters of America which is payable to the Company's co-investors in that investment.

Transactions with Board Members

Larry Spitcaufsky, a significant shareholder and member of the Company's Board of Directors, is also a lender to the Company for $2 million of the Company's $6 million in secured debentures. In connection with the secured debentures, the Company made payments of interest to the board member of $84,000 and $66,222 for the years ended December 31, 2018 and 2017, respectively, as required under the Notes.

Mr. Spitcaufsky also subscribed for 70,000 shares in connection with the May 3, 2018 Securities Purchase Agreement and received an equal number of warrants in the transaction. Michael D. Pruitt, the Company's chairman and Chief Executive Officer also participated in the offering.

The Company has also entered into a franchise agreement with entities controlled by Mr. Spitcaufsky providing him with the franchise rights for Little Big Burger in the San Diego area and an option for southern California. The Company received franchise fees totaling $60,000 under this arrangement during 2017. The Company received royalties of $9,178 and $0 from the Little Big Burger franchises controlled by Mr. Spitcaufsky in 2018 and 2017, respectively. Subsequent to December 31, 2018, Mr. Spitcaufsky closed both of his franchised Little Big Burger restaurants in 2019.

13. SEGMENTS OF BUSINESS

The Company is in the business of operating restaurants and its operations are organized by geographic region and by brand within each region. Further each restaurant location produces monthly financial statements at the individual store level. The Company's chief operating decision maker reviews revenues and profitability at the individual restaurant location level, as well as for Full-Service Hooters, Better Burger Fast Casual and Just Fresh Fast Casual level, and corporate as a group.

The following are revenues and operating income (loss) from continuing operations by segment as of and for the years ended December 31, 2018 and 2017. The Company does not aggregate or review non-current assets at the segment level.

	Year Ended	
	December 31, 2018	December 31, 2017
Revenue:		
Hooters Full Service	$ 13,841,917	$ 13,508,220
Better Burgers Fast Casual	22,617,522	22,764,571
Just Fresh Fast Casual	4,054,270	5,060,072
Corporate and Other	100,000	100,000
	$ 40,613,709	$ 41,432,863
Operating Income (Loss):		
Hooters Full Service	$ (1,280,336)	$ (1,188,598)
Better Burgers Fast Casual	(1,216,513)	(537,971)
Just Fresh Fast Casual	(124,863)	(256,319)
Corporate and Other	(2,733,389)	(3,252,489)
	$ (5,355,101)	$ (5,235,377)
Depreciation and Amortization		
Hooters Full Service	$ 399,914	$ 496,996
Better Burgers Fast Casual	1,582,197	1,459,527
Just Fresh Fast Casual	178,100	322,904
Corporate and Other	3,374	3,374
	$ 2,163,585	$ 2,282,801

The following are revenues and operating income (loss) from continuing operations and non-current assets by geographic region as of and for the years ended December 31, 2018 and 2017:

	Year Ended	
	December 31, 2018	December 31, 2017
Revenue:		
United States	$ 31,930,427	$ 32,804,708
South Africa	5,825,967	5,777,306
Europe	2,857,315	2,850,849
	$ 40,613,709	$ 41,432,863
Operating Income (Loss):		
United States	$ (5,666,969)	$ (4,554,429)
South Africa	139,088	(798,914)
Europe	172,780	117,966
	$ (5,355,101)	$ (5,235,377)

Non-current Assets:	December 31, 2018	December 31, 2017
United States	$ 24,795,368	$ 24,630,101
South Africa	909,514	1,203,610
Europe	2,413,222	2,549,747
	$ 28,118,104	$ 28,383,458

14. COMMITMENTS AND CONTINGENCIES

The Company, through its subsidiaries, leases the land and buildings for its restaurant locations. The South Africa leases are for five-year terms and include options to extend the terms. The terms for our U.S. restaurant leases vary from two to ten years and have options to extend. We lease some of our restaurant facilities under "triple net" leases that require us to pay minimum rent, real estate taxes, maintenance costs and insurance premiums and, in some instances, percentage rent based on sales in excess of specified amounts. We also lease our corporate office space in Charlotte, North Carolina.

Rent obligations for the next five fiscal years and thereafter are presented below:

December 31, 2019	$ 4,041,976
December 31, 2020	3,659,620
December 31, 2021	3,230,270
December 31, 2022	2,483,514
December 31, 2023	1,940,765
Thereafter	6,106,601
	$ 21,462,746

Rent expense for the years ended December 31, 2018 and December 31, 2017 was $4.6 million and $3.7 million, respectively. Rent expense for the years ended December 31, 2018 and 2017 for the Company's restaurants was $4.5 million and $3.7 million, respectively, and is included in the "Restaurant operating expenses" and "Restaurant pre-opening and closing expenses" (for rent incurred at restaurant locations not yet open) of the Consolidated Statements of Operations. Rent expense related to non-restaurant facilities of $50 thousand for both years ended December 31, 2018 and 2017 was included in the "General and administrative expense" of the Consolidated Statements of Operations.

On March 26, 2013, our South African operations received Notice of Motion filed in the Kwazulu-Natal High Court, Durban, Republic of South Africa, filed against Rolalor (PTY) LTD ("Rolalor") and Labyrinth Trading 18 (PTY) LTD ("Labyrinth") by Jennifer Catherine Mary Shaw ("Shaw"). Rolalor and Labyrinth were the original entities formed to operate the Johannesburg and Durban locations, respectively. On September 9, 2011, the assets and the then-disclosed liabilities of these entities were transferred to Tundraspex (PTY) LTD ("Tundraspex") and Dimaflo (PTY) LTD ("Dimaflo"), respectively. The current entities, Tundraspex and Dimaflo are not parties in the lawsuit. Shaw is requesting that the Respondents, Rolalor and Labyrinth, be wound up in satisfaction of an alleged debt owed in the total amount of R4,082,636 (approximately $480,000). The two Notices were defended and argued in the High Court of South Africa (Durban) on January 31, 2014. Madam Justice Steryi dismissed the action with costs on May 5, 2014. Ms. Shaw appealed this decision and in December 2016, the Court dismissed the Labyrinth case with costs payable to the Company and allowed the Rolalor case to proceed to liquidation. The Company did not object to the proposed liquidation of Rolalor as the entity has no assets and the Company does not expect there to be any material impact on the Company. No amounts have been accrued as of December 31, 2018 or 2017 in the accompanying consolidated balance sheets.

From time to time, the Company may be involved in legal proceedings and claims that have arisen in the ordinary course of business are generally covered by insurance. As of December 31, 2018, the Company does not expect the amount of ultimate liability with respect to these matters to be material to the company's financial condition, results of operations or cash flows.

15. NON-CONTROLLING INTERESTS

The Company's consolidated financial statements include the accounts of entities where the Company has operating control but may own less than 100% of the equity interest in the LLC or other entity. A significant element of the Company's plans to finance growth is through the use of partnerships where private investors contribute all or substantially all of the capital required to open its Little Big Burger restaurants in return for an ownership interest in the LLC and an economic interest in the net income of the restaurant location. The Company manages the operations of the restaurant in return for a management fee and an economic interest in the net income of the restaurant location. While terms may vary by LLC, the investor generally contributes between $250,000 and $350,000 per location and is entitled to 80% of the net income of the LLC until such time as the investor recoups the initial investment and the investor return on net income changes from 80% to 50%, and in certain cases to 20%, of net income. The Company contributes the intellectual property and management related to operating a Little Big Burger, manages the construction, opening and ongoing operations of the store in return for a 5% management fee and 20% of net income until such time as the investor recoups the initial investment and the Company return on net income changes from 20% to 50%, and in certain cases to 80%, of net income.

In addition to the Little Big Burger LLC's referred to above, the Company holds less than a 100% interest in its Just Fresh subsidiaries and several of its consolidated legal entities in South Africa.

The accounts of these partnerships are included in the consolidated accounts of the Company and intercompany transactions, including management fees and intercompany loans and advances, are eliminated in consolidation. The carrying amount of the Company's interest in subsidiaries where owns less than 100% is adjusted quarterly based on the company's ownership of the net assets of each entity.

The carrying amount of assets and liabilities of consolidated subsidiaries with non-controlling interests are as follows (refer to Footnote 1 Organization for details of the Company's ownership percentages for each entity):

December 31, 2018	LBB Hassalo LLC	LBB Platform LLC	LBB Progress Ridge LLC	LBB Green Lake LLC	American Burger Prosperity, LLC (DBA LBB Propserity)	LBB Wallingford LLC	LBB Capitol Hill LLC	LBB Rea Farms LLC
Cash	$ 13,690	$ 22,363	$ 21,790	$ 588	$ 8,095	$ 9,238	$ 3,800	$ 4,306
Accounts receivable	165	(17)	3,652	-	1,777	1,896	-	209
Inventory	4,682	3,213	5,781	-	3,261	3,265	-	4,965
Property, plant and equipment	249,902	190,017	252,322	144,953	353,907	539,713	408,644	398,497
Goodwill and intangible assets	-	-	-	-	-	-	-	-
Other assets	4,320	5,447	10,364	4,332	5,000	10,840	15,259	4,520
Due from (to) Chanticleer and affiliates	118,500	173,600	132,844	(28,829)	(205,782)	(291,452)	(190,138)	(81,037)
Total Assets	**391,259**	**394,623**	**426,753**	**121,045**	**166,258**	**273,500**	**237,566**	**331,461**
Accounts payable and accrued liabilites	59,373	45,537	62,441	128,945	31,875	71,928	151,585	132,760
Debt	-	-	-	-	-	-	-	-
Deferred rent	80,323	74,430	105,326	4,279	45,750	105,503	32,310	730
Total Liabilties	**139,696**	**119,966**	**167,766**	**133,225**	**77,625**	**177,431**	**183,896**	**133,490**
Net Book Value attribuable to Chanticleer and affiliates	201,251	219,726	129,493	(6,090)	44,316	48,035	26,835	98,986
Net Book Value attribuable to Non-Controlling Interest	50,313	54,931	129,493	(6,090)	44,316	48,035	26,835	98,986
Net Book Value	**$ 251,563**	**$ 274,657**	**$ 258,987**	**$ (12,180)**	**$ 88,633**	**$ 96,069**	**$ 53,670**	**$ 197,971**

December 31, 2018	LBB Multnomah Village LLC	LBB Magnolia LLC	JF Restaurants, LLC	DINE OUT	Hooters Emperors Palace (PTY) Ltd	Hooters on the Buzz (PTY) Ltd.	Hooters Umhlang (Pty) Ltd.	Hooters Wings Mgmt Company	Total
Cash	$ 8,106	$ 4,850	$ 29,668	$ -	$ 56,868	$ 313	$ 14,400	$ 3,372	$ 201,448
Accounts receivable	2,801	259	14,806	-	6,586	-	1,585	38,907	72,627
Inventory	3,588	4,110	34,467	-	21,033	27,048	22,171	-	137,584
Property, plant and equipment	297,430	272,996	226,818	-	64,130	52,775	39,578	3,465	3,495,149
Goodwill and intangible assets	-	-	1,000,751	-	32,535	23,746	23,465	-	1,080,498
Other assets	10,483	12,620	24,670	-	23,978	3,988	5,949	-	141,769
Due from (to) Chanticleer and affiliates	72,085	46,660	(299,797)	(32,183)	855,758	(232,167)	93,052	(325,075)	(193,959)
Total Assets	**394,493**	**341,495**	**1,031,384**	**(32,183)**	**1,060,889**	**(124,298)**	**200,200**	**(279,331)**	4,935,115
Accounts payable and accrued liabilites	50,138	20,685	631,341	-	418,980	198,817	55,320	17,564	2,077,288
Debt	-	-	-	-	-	32,477	-	-	32,477
Deferred rent	122,360	98,776	20,455	-	18,423	30,178	14,045	22,191	775,079
Total Liabilties	**172,498**	**119,461**	**651,796**	**-**	**437,403**	**261,472**	**69,365**	**39,755**	2,884,844
Net Book Value attribuable to Chanticleer and affiliates	110,998	111,017	214,664	(28,643)	548,668	(366,481)	117,752	(247,292)	1,223,234
Net Book Value attribuable to Non-Controlling Interest	110,998	111,017	164,924	(3,540)	74,818	(19,288)	13,084	(71,794)	827,037
Net Book Value	**$ 221,996**	**$ 222,034**	**$ 379,588**	**$ (32,183)**	**$ 623,486**	**$ (385,769)**	**$ 130,836**	**$ (319,086)**	$ 2,050,271

December 31, 2017	LBB Hassalo LLC	LBB Platform LLC	LBB Progress Ridge LLC	LBB Green Lake LLC	American Burger Prosperity, LLC (DBA LBB Propserity)	LBB Wallingford LLC	LBB Capitol Hill LLC	LBB Rea Farms LLC
Cash	$ 8,012	$ 9,953	$ 19,819	$ 235	$ 1,917	$ 27	$ 170	$ 1,440
Accounts receivable	837	2,166	234	-	87	-	-	-
Inventory	5,444	7,219	6,237	-	5,596	-	-	-
Property, plant and equipment	269,350	211,055	283,666	500	385,404	3,000	7,348	-
Goodwill and intangible assets	-	-	-	-	-	-	-	-
Other assets	4,470	5,447	7,910	4,332	5,000	10,840	15,259	4,520
Due from (to) Chanticleer and affiliates	30,381	115,988	96,388	54,101	(125,162)	87,937	58,163	18,873
Total Assets	**318,494**	**351,828**	**414,253**	**59,167**	**272,842**	**101,804**	**80,940**	**24,833**
Accounts payable and accrued liabilites	22,905	28,384	25,956	500	40,575	10,558	7,348	-
Debt	-	-	-	-	-	-	-	-
Deferred rent	85,076	75,149	107,875	-	47,550	-	-	-
Total Liabilties	**107,981**	**103,532**	**133,831**	**500**	**88,125**	**10,558**	**7,348**	**-**
Net Book Value attribuable to Chanticleer and affiliates	168,411	198,637	140,211	29,334	92,359	45,623	36,796	12,417
Net Book Value attribuable to Non-Controlling Interest	42,103	49,659	140,211	29,334	92,359	45,623	36,796	12,417
Net Book Value	**$ 210,513**	**$ 248,296**	**$ 280,421**	**$ 58,667**	**$ 184,717**	**$ 91,246**	**$ 73,592**	**$ 24,833**

December 31, 2017	LBB Multnomah Village LLC	LBB Magnolia LLC	JF Restaurants, LLC	DINE OUT	Hooters Emperors Palace (PTY) Ltd	Hooters on the Buzz (PTY) Ltd.	Hooters Umhlang (Pty) Ltd.	Hooters Wings Mgmt Company	Total
Cash	$ 200	$ -	$ (5,231)	$ -	$ 31,818	$ 926	$ 9,992	$ 148,227	$ 227,505
Accounts receivable	-	-	6,110	-	13,501	-	-	8,557	31,492
Inventory	-	-	57,840	-	27,080	20,640	22,329	-	152,384
Property, plant and equipment	-	-	334,818	-	100,492	95,716	61,794	4,041	1,757,184
Goodwill and intangible assets	-	-	1,101,751	-	40,827	30,115	29,888	-	1,202,581
Other assets	12,705	-	33,888	-	27,965	170	6,939	-	139,445
Due from (to) Chanticleer and affiliates	12,095	-	(155,637)	(32,183)	1,034,034	(256,573)	188,310	(512,662)	614,053
Total Assets	**25,000**	**-**	**1,373,539**	**(32,183)**	**1,275,717**	**(109,006)**	**319,252**	**(351,837)**	**4,124,644**
Accounts payable and accrued liabilites	39	-	603,698	-	525,151	230,209	135,283	30,834	1,661,440
Debt	-	-	-	-	-	56,569	-	-	56,569
Deferred rent	-	-	16,602	-	15,732	33,178	25,760	-	406,922
Total Liabilties	**39**	**-**	**620,301**	**-**	**540,883**	**319,956**	**161,043**	**30,834**	**2,124,931**
Net Book Value attribuable to Chanticleer and affiliates	12,481	-	424,678	(28,643)	646,654	(407,514)	142,388	(296,570)	1,217,259
Net Book Value attribuable to Non-Controlling Interest	12,481	-	328,561	(3,540)	88,180	(21,448)	15,821	(86,101)	782,453
Net Book Value	**$ 24,961**	**$ -**	**$ 753,238**	**$ (32,183)**	**$ 734,834**	**$ (428,962)**	**$ 158,209**	**$ (382,671)**	**$ 1,999,713**

16. SUBSEQUENT EVENTS

In February 2019, the Company sold a majority interest in two of its company-owned BGR restaurants for a purchase price of $500,000. In connection with the sale, the Company established franchise agreements with those two restaurants. The Company still owns approximately 46% of those two restaurants. Also, in February 2019, the Company sold one of its company-owned American Burger restaurants for a purchase price of $200,000.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

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

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of December 31, 2018. Our management has determined that, as of December 31, 2018, the Company's disclosure controls and procedures were ineffective.

Management's report on internal control over financial reporting

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

Management's Evaluation of Internal Control over Financial Reporting. Management evaluated our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*. As a result of this assessment and based on the criteria in this framework, management has concluded that, as of December 31, 2018, our internal control over financial reporting was effective. Management determined that previously identified material weaknesses (as described below) had been remediated as of December 31, 2018.

Management identified the following deficiencies in its internal control over financial reporting which constituted material weaknesses as of December 31, 2017:

- The Company performs extensive reconciliation and manual review procedures to ensure that the financial statements results are accurately presented. However, the financial close procedures are not formally documented and were inconsistently applied across the organization for periods prior to mid-2017 at which time management implement a new centralized accounting system and standardized the close process across all its domestic operations.
- The Company's financial statements include significant and unusual transactions as well as complex financial instruments that are subject to extensive technical accounting standards that increase the risk of undetected errors and where the Company's internal resources do not possess deep technical specialization.

During the year ended December 31, 2018, management implemented additional controls to address the deficiencies regarding the documentation and application of financial close procedures and accounting for significant, unusual and complex transactions. Management believes that it has remediated the above-mentioned material weaknesses as of December 31, 2018.

Changes in Internal Control over Financial Reporting— The Company implemented changes to its accounting systems internal processes and policies to further standardize its internal control over financial reporting with respect to the monitoring, reporting and consolidation of its financial results along with the assessment of complex accounting matters.

ITEM 9B: OTHER INFORMATION

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance.

Information called for by this item may be found in our definitive Proxy Statement in connection with our 2019 Annual Meeting of Shareholders to be filed with the SEC under the headings "Board of Directors and Management," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance Matters" and is incorporated herein by reference.

ITEM 11. Executive Compensation.

Information called for by this item may be found in our definitive Proxy Statement in connection with our 2019 Annual Meeting of Shareholders to be filed with the SEC under the headings “Executive Compensation” and “Corporate Governance Matters” and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information called for by this item may be found in our definitive Proxy Statement in connection with our 2019 Annual Meeting of Shareholders to be filed with the SEC under the headings “Equity Compensation Plan Information” and “Security Ownership of Certain Beneficial Owners and Management” and is incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence.

Information called for by this item may be found in our definitive Proxy Statement in connection with our 2019 Annual Meeting of Shareholders to be filed with the SEC under the headings “Related Person Transactions” and “Corporate Governance Matters” and is incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services.

Information called for by this item may be found in our definitive Proxy Statement in connection with our 2019 Annual Meeting of Shareholders to be filed with the SEC under the headings “Independent Registered Public Accounting Firm Fee Information” and “Audit Committee Pre-Approval Policy” and is incorporated herein by reference.

PART IV

ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements.

The following financial statements of Chanticleer Holdings, Inc. are contained in Item 8 of this Form 10-K:

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets at December 31, 2018 and 2017
- Consolidated Statements of Operations for the years ended December 31, 2018 and 2017
- Consolidated Statements of Comprehensive Loss for the years ended December 31, 2018 and 2017
- Consolidated Statements of Equity at December 31, 2018 and 2017
- Consolidated Statements of Cash Flows for the years ended December 31, 2018 and 2017
- Notes to the Consolidated Financial Statements

(a)(2) Financial Statements Schedules.

Financial Statement Schedules were omitted, as they are not required or are not applicable, or the required information is included in the Financial Statements.

(a)(3) Exhibits Filed.

The exhibits listed in the accompanying Exhibit Index are filed as a part of this report.

(b) Exhibits.

See Exhibit Index.

(c) Separate Financial Statements and Schedules.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on April 1, 2019.

CHANTICLEER HOLDINGS, INC.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Date	Title (Capacity)	Signature
April 1, 2019	Chairman, Chief Executive Officer, and Principal Executive Officer	*/s/ Michael D. Pruitt* Michael D. Pruitt
April 1, 2019	Chief Financial Officer	*/s/ Patrick Harkleroad* Patrick Harkleroad
April 1, 2019	Chief Accounting Officer	*/s/ Troy M. Shadoin* Troy M. Shadoin
April 1, 2019	Director	*/s/ Russell J. Page* Russell J. Page
April 1, 2019	Director	*/s/ Neil Kiefer* Neil Kiefer
April 1, 2019	Director	*/s/ Eric Wagoner* Eric Wagoner
April 1, 2019	Director	*/s/ Keith Johnson* Keith Johnson
April 1, 2019	Director	*/s/ Larry Spitcaufsky* Larry Spitcaufsky
April 1, 2019	Director	*/s/ David Osborne* David Osborne

EXHIBIT INDEX

Exhibit	Description
2.1	Purchase Agreements for Australian Entities dated June 30, 2014 (Incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K, filed with the SEC on July 3, 2014)
3.1	Certificate of Incorporation (Incorporated by reference to the Exhibit 3.1.A to our Registration Statement on Form 10SB-12G, filed with the SEC on February 15, 2000 (File No. 000-29507)
3.2	Certificate of Merger, filed May 2, 2005 (Incorporated by reference to Exhibit 2.1 filed with our Quarterly Report on Form 10-Q, filed with the SEC on August 15, 2011)
3.3	Certificate of Amendment, filed July 16, 2008 (Incorporated by reference to Exhibit 3.1 filed with our Registration Statement on Form S-1/A (Registration No. 333-178307), filed with the SEC on February 3, 2012)
3.4	Certificate of Amendment, filed March 18, 2011 Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on March 18, 2011)
3.5	Certificate of Amendment, filed May 23, 2012 (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on May 24, 2012)
3.6	Certificate of Amendment, filed February 3, 2014 (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on February 4, 2014)
3.7	Certificate of Amendment, filed October 2, 2014 (Incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on October 2, 2014)
3.8	Form of Certificate of Designation of the Series 1 Preferred Stock (Incorporated by reference to Exhibit 3.8 to Registration Statement on Form S-1 (Registration No. 333-214319, as filed December 5, 2016)
3.8	Bylaws (Incorporated by reference to Exhibit 3.II.A to our Registration Statement on Form 10SB-12G, filed with the SEC on February 15, 2000 (File No. 000-29507))
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 to 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 to 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).
4.6	Form of Warrant for September 2013 Merger 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 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 with $2.50 Exercise Price (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015)
4.10	Form of 8% Non-Convertible Secured Debenture dated May 4, 2017 (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-k, filed with the SEC on May 5, 2017)
4.11	Form of Warrant dated May 4, 2017 (Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K, filed with the SEC on May 5, 2017)
4.12	Amendment to Warrant dated April 7, 2017 by and between Chanticleer Holdings, Inc., and Larry S. Spitcaufsky, Trustee of Larry Spitcaufsky Family Trust UTD 1-19-88 (Incorporated by reference to Exhibit 14.1 to Current Report on Form 8-K, filed with the SEC on August 9, 2017)
4.13	Form of Warrant dated October 12, 2017 (Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K, filed with the SEC on October 13, 2017)
4.14	Form of Warrant dated May 3, 2018 (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K, as amended, dated May 8, 2018)
10.1	Form of Franchise Agreement between the Company and Hooters of America, LLC (Incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-1 (Registration No. 333-178307), filed with the SEC on December 2, 2011)
10.2*	Chanticleer Holdings, Inc. 2014 Stock Incentive Plan effective February 3, 2014 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on February 4, 2014)
10.3	Debt Assumption Agreements, dated July 1, 2014 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on July 3, 2014)
10.4	Gaming Assignment, dated July 1, 2014 (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on July 3, 2014)
10.5	Asset Purchase Agreement by and between Chanticleer Holdings, Inc., The Burger Company, LLC and American Burger Morehead, LLC 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)
10.6	Asset Purchase Agreement by and between Chanticleer Holdings, Inc., Dallas Spoon, LLC and Express Working Capital, LLC d/b/a CapRock Services dated December 31, 2014 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on January 6, 2015)
10.7	Form of Subscription Agreement dated January 2015 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015)
10.8	Form of 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 9, 2015)
10.9	Form of Registration Rights Agreement dated January 2015 (Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015)

10.10	Asset Purchase Agreement by and between Chanticleer Holdings, Inc., BGR Holdings, LLC and BGR Acquisition LLC, dated February 18, 2015 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on February 18, 2015)
10.11	Membership Interest Purchase Agreement dated July 31, 2015 (Incorporated by reference to exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 3, 2015)
10.12	Form of Leak Out Agreement dated September 30, 2015 (Incorporated by reference to exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015)
10.13	Form of Securities Account Control Agreement dated September 30, 2015 (Incorporated by reference to exhibit 10.3 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015)
10.14	Stock Pledge and Security Agreement dated September 30, 2015 (Incorporated by reference to exhibit 10.4 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015)
10.15	Asset Purchase Agreement by and between Chanticleer Holdings, Inc., BT's Burgerjoint Management, LLC and BT Burger Acquisition, LLC dated March 31, 2015 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on March 31, 2015)
10.16	Amendment No. 1 to Asset Purchase Agreement by and between Chanticleer Holdings, Inc., BT's Burgerjoint Management, LLC and BT Burger Acquisition, LLC dated May 31, 2015 (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to Form S-3, Registration No. 333- 203679, as filed June 3, 2015)
10.17	Form of Securities Purchase Agreement by and between the Company and Carl Caserta dated February 11, 2015 (Incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-3 filed with the SEC on April 27, 2015)
10.18	Agreement dated April 24, 2015 by and among the Company, AT Media Corp. and Aton Select Fund, Ltd. (Incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-3 filed with the SEC on April 27, 2015)
10.19	Registration Rights Agreement by and between the Company and Carl Caserta dated February 11, 2015 (Incorporated by reference to Exhibit 10.3 to our Registration Statement on Form S-3 filed with the SEC on April 27, 2015)
10.20	Membership Interest Purchase Agreement dated July 31, 2015 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K as filed with the SEC on August 3, 2015)
10.21	Form of Leak out Agreement (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K as filed with the SEC on October 5, 2015)
10.22	Form of Securities Account Control Agreement Form of Leak out Agreement (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K as filed with the SEC on October 5, 2015)
10.23	Stock Pledge and Security Agreement dated September 30, 2015 (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K as filed with the SEC on October 5, 2015)
10.24	Business sale agreement to purchase the assets of Hoot Campbelltown Pty Ltd and Hoot Penrith Pty Ltd for the purchase price of $390,000 AUD dated August 12, 2015 (Incorporated by reference to Exhibit 10.24 to Annual Report on Form 10K, as filed March 30, 2016)
10.25	Business sale agreement to purchase the assets of Hoot Gold Coast Pty Ltd and Hoot Townsville Pty Limited dated August 12, 2015 (Incorporated by reference to Exhibit 10.25 to Annual Report on Form 10K, as filed March 30, 2016)

10.26	Business sale agreement to purchase the assets of Hoot Parramatta Pty Ltd dated August 13, 2015 (Incorporated by reference to Exhibit 10.26 to Annual Report on Form 10K for the period ending December 31, 2016, as filed March 30, 2016)
10.27	Second Amendment to Assumption and Assignment Agreement dated October 22, 2016 by and between the Company and Florida Mezzanine Fund, LLLP (Incorporated by reference to Exhibit 10.27 to Registration Statement on Form S-1 (Registration No. 333-214319, as filed October 28, 2016)
10.28	Form of Exchange Agreement dated March 10, 2017 by and between the Company and certain note holders. (Incorporated by reference to Exhibit 10.28 to Annual Report on Form 10-K as filed March 31, 2017).
10.29	Form of 2% Convertible Promissory note issued March 10, 2017. (Incorporated by reference to Exhibit 10.29 to Annual Report on Form 10-K as filed March 31, 2017)
10.30	Amendment to 6% Secured Subordinated Convertible Note by and between the Company and certain note holder.
10.31	Amendment to 6% Secured Subordinated Convertible Note by and between the Company and certain note holder (Incorporated by reference to Exhibit 10.30 to Annual Report on Form 10-K as filed March 31, 2017)
10.32	Securities Purchase Agreement by and between the Company and certain accredited investors dated May 4, 2017 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed with the SEC on May 5, 2017)
10.33	Security Agreement by and between the Company and certain accredited investors dated May 4, 2017 (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed with the SEC on May 5, 2017)
10.34	Subsidiary Guarantee dated May 4, 2017 (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed with the SEC on May 5, 2017)
10.35	Satisfaction, Settlement and Release Agreement by and between the Company and Florida Mezzanine Fund, LLLP dated May 2, 2017 (Incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, filed with the SEC on May 5, 2017)
10.36	Amendment to Securities Purchase Agreement by and between Chanticleer Holdings, Inc. and purchasers executed August 7, 2017 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed with the SEC on August 9, 2017)
10.37	Form of Officer and Director Indemnification Agreement (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed with the SEC on August 30, 2017)
10.38	Form of Securities Purchase Agreement by and between the Company and certain accredited investors dated August 12, 2017 (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed with the SEC on October 13, 2017)
10.39	Form of Securities Purchase Agreement by and between the Company and certain accredited investors dated May 3, 2018 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, as amended, dated May 8, 2018)
10.49*	Employment Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick, filed herewith

10.41*	Restricted Stock Unit Award Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick, filed herewith
10.42*	Incentive Stock Option Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick, filed herewith
10.43	Amendment to 8% Secured Debentures by and between the Company and Debenture Holders, filed herewith
10.44*	Employment Agreement dated January 7, 2019 by and between Patrick Harkleroad and the Company, filed herewith
21	Subsidiaries of the Company+
23.1	Consent of Cherry Bekaert LLP, Independent Registered Public Accounting Firm+
31.1	Certification of Periodic Report by Michael D. Pruitt, as Chief Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002+
31.2	Certification of Periodic Report by Patrick Harkleroad, as Chief Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002+
32.1	Certification of Periodic Report by Michael D. Pruitt, as Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+
32.2	Certification of Periodic Report by Patrick Harkleroad, as Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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

XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

* Indicates a management contract or compensatory plan or arrangement

+ Filed herewith

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.

AMENDMENT TO 6% SECURED SUBORDINATE CONVERTIBLE NOTE

This Amendment ("Amendment") is made and effective as of March 24, 2017 ("Effective Date") and amends those certain 6% Secured Subordinate Convertible Notes dated August 2, 2013 in the aggregate principal amount of $3,000,000 (the "Notes") and Security Agreement of even date therewith ("Security Agreement") issued by CHANTICLEER HOLDINGS, INC., a Delaware corporation ("Chanticleer") in favor of the the undersigned individuals ("Holders").

WHEREAS, Chanticleer and the Holders desire to modify the terms and conditions of the Notes in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises, conditions, representations and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto have mutually agreed as follows:

1. The foregoing recital is true and correct and incorporated herein. Any capitalized term not defined herein shall have the same meaning as set forth in the Notes.

2. Chanticleer agrees to remit a payment of One Hundred Thirty Five Thousand Six Hundred and Sixteen and 49/100 Dollars (U.S. $135,616.49) pro-rata to the Holders based on percentage of aggregate principal amount of Notes held by each Holder, no later than April 17, 2017, representing all accrued and unpaid interest outstanding under the Notes as of March 31, 2017 (the "Interest Payment").

3. The Maturity Date of the Notes is hereby extended to June 30, 2018.

4. Any prior or existing Event of Default under the Notes and/or Security Agreement therewith is hereby waived by the Holders as of the respective date(s) of the applicable Event of Default.

5. Chanticleer covenants and agrees to continue to make timely interest only payments to the Holders and comply with the terms of this Amendment.

6. Subsequent to the Effective date of this Amendment, an Event of Default under Section 3(a)(i) of the Notes will be triggered only if breach is not cured within 10 days after receipt by Chanticleer of written notice from Holders.

7. Chanticleer will endeavor to sell the Hooters® Nottingham, England store at a purchase price mutually acceptable to the Holders and Chanticleer. One hundred percent of net proceeds from the sale of this store will be remitted pro-rata to the Holders based on percentage of aggregate principal amount of Notes held by each Holder.

8. Except as set forth herein, all other terms and conditions contained in the Agreement that are not changed, amended or modified through this Amendment shall remain unchanged and in full force and effect. The Notes shall remain subject to the Security Agreement dated August 2, 2013 by the Company in favor of the Holders, and the Notes continue to be secured by the Collateral, as defined therein.

9. In the case of conflict between the provisions of the Notes, on the one hand, and this Amendment on the other hand, the provisions of this Amendment will prevail.

10. This Amendment may be executed in counterparts, all of which, when so executed and delivered, shall be deemed an original, but all counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or in electronic (i.e., "pdf") format shall be effective as delivery of a manually executed counterpart signature page.

IN WITNESS WHEREOF, this Amendment has been duly executed by or on behalf of each of the parties as of the date first written above.

CHANTICLEER HOLDINGS INC.,
a Delaware corporation

By:_____
Name: Michael D. Pruitt
Its: Chief Executive Officer

AGREED AND ACCEPTED:
HOLDERS:

*_____
Edwin Jackson Jr.
Principal Amount of Note: $500,000

*_____
Rickie Weeks
Principal Amount of Note: $500,000

*_____
Matthew Garza-Alibidrez
Principal Amount of Note: $500,000

*_____
Andrew Stefan McCutchen
Principal Amount of Note: $250,000

*_____
Justin Upton
Principal Amount of Note: $500,000

*_____
Monta Ellis
Principal Amount of Note: $250,000

*_____
Melvin E. Upton Jr.
Principal Amount of Note: $500,000

*By:_____

Name:_____, Attorney in Fact

CHANTICLEER HOLDINGS, INC.
2014 STOCK INCENTIVE PLAN

Restricted Stock Unit Agreement
(Employees)

THIS AGREEMENT (together with Schedule A attached hereto, this "Agreement"), made effective the 16th day of November 2018 between Chanticleer Holdings, Inc., a Delaware corporation (the "Corporation"), and Frederick L. Glick, an Employee of the Corporation or an Affiliate (the "Participant").

RECITALS

In furtherance of the purposes of the Chanticleer Holdings, Inc. 2014 Stock Incentive Plan, as it may be hereafter amended (the "Plan"), and in consideration of the services of the Participant and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Participant hereby agree as follows:

1. Incorporation of Plan. The rights and duties of the Corporation and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan and the Employment Agreement between Participant and the Corporation dated November 16, 2018 ("Employment Agreement"), copies of which are delivered herewith or have been previously provided to the Participant, and the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan or Employment Agreement, the provisions of the Plan and Employment Agreement shall govern. Unless otherwise defined herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. Grant of Restricted Stock Units "RSUs". The Corporation has granted to you on the Award Date an Award of RSUs as designated herein subject to the terms, conditions, and restrictions set forth in this Agreement, the Plan, the Employment Agreement and Schedule A. Each RSU shall represent the conditional right to receive, upon settlement of the RSU, one share of Chanticleer Holdings Inc. common stock, $0.0001 par value per share (each a "Share"), subject to any tax withholding as described in Section 3. The purpose of such Award is to motivate and retain you as an employee of the Corporation, to encourage you to continue to give your best efforts for the Corporation's future success, and to increase your proprietary interest in the Corporation. Except as may be required by law, you are not required to make any payment (other than payments for taxes pursuant to Section 3 hereof) or provide any consideration other than the rendering of future services to the Corporation or a subsidiary of the Corporation.

3. Collection of Withholding Taxes. Regardless of any action the Corporation takes with respect to any or all income tax (including U.S. federal, state and local tax and/or non-U.S. tax), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by Participant is and remains Participant's responsibility and that the Corporation (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the award of the RSUs, the vesting of the RSUs, the issuance of sShares in settlement of the RSUs, the subsequent sale of Shares and the receipt of any dividends; and (b) does not commit to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate Participant's liability for Tax-Related Items. Prior to the relevant taxable event, Participant will pay or make adequate arrangements satisfactory to the Corporation to satisfy all withholding obligations for Tax Related Items of the Corporation. In this regard, Participant authorizes the Corporation to instruct the broker whom it has selected for this purpose to sell a number of Shares to be issued upon the vesting of the RSUs to meet the withholding obligation for Tax-Related Items. Such sales shall be effected at the prevailing market price on the 1st or 2nd Trading Day following the date that the RSUs vest. Participant acknowledges that the proceeds of any such sale may not be sufficient to satisfy Participant's withholding obligation for Tax-Related Items. To the extent the proceeds from such sale are insufficient to cover the Tax-Related Items, the Corporation may in its discretion (a) withhold the balance of all applicable Tax-Related Items legally payable by Participant from Participant's wages or other cash compensation paid to Participant by the Corporation and/or (b) withhold in Shares of Common Stock, provided that the Corporation only withholds an amount of Shares not in excess of the amount necessary to satisfy the minimum withholding amount. If the Corporation satisfies the obligation for Tax-Related Items by withholding a number of Shares as described above, Participant will be deemed to have been issued the full number of Shares subject to the award of RSUs, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items due as a result of the vesting of the RSUs. Finally, Participant must pay to the Corporation any amount of Tax-Related Items that the Corporation may be required to withhold as a result of Participant's award of the RSUs, vesting of the RSUs, or the issuance of Shares in settlement of vested RSUs that cannot be satisfied by the means previously described. The Corporation may refuse to deliver the Shares to Participant if Participant fails to comply with his obligations in connection with the Tax-Related Items as described in this subsection.

4. Effect of Change in Control.

(a) Notwithstanding any other provision of the Plan to the contrary, and except as may be otherwise provided in the Employment Agreement or required under Code Section 409A, related regulations or other guidance, in the event of a Change in Control (as defined in Section 4(c) herein), the RSUs, if outstanding as of the date of such Change in Control, shall become fully vested, whether or not then otherwise vested.

(b) For the purposes herein, except as may be otherwise required in order to comply with Code Section 409A, a "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(i) The date any entity or person shall have become the beneficial owner of, or shall have obtained voting control over, fifty percent (50%) or more of the outstanding Common Stock of the Corporation;

(ii) The date the shareholders of the Corporation approve a definitive agreement (A) to merge or consolidate the Corporation with or into another corporation or other business entity (each, a "corporation"), in which the Corporation is not the continuing or surviving corporation or pursuant to which any shares of Common Stock of the Corporation would be converted into cash, securities or other property of another corporation, in each case other than a merger or consolidation of the Corporation in which the holders of Common Stock immediately prior to the merger or consolidation continue to own immediately after the merger or consolidation at least fifty percent (50%) of the Common Stock, or, if the Corporation is not the surviving corporation, the common stock (or other voting securities) of the surviving corporation; provided, however, that if consummation of such merger or consolidation is subject to the approval of federal, state or other regulatory authorities, then, unless the Administrator determines otherwise, a "Change in Control" shall not be deemed to occur until the later of the date of shareholder approval of such merger or consolidation or the date of final regulatory approval of such merger or consolidation; or (B) to sell or otherwise dispose of all or substantially all the assets of the Corporation; or

(iii) The date there shall have been a change in a majority of the Board of Directors of the Corporation within a 12-month period unless the nomination for election by the Corporation's shareholders of each new Director was approved by the vote of two-thirds of the members of the Board (or a committee of the Board, if nominations are approved by a Board committee rather than the Board) then still in office who were in office at the beginning of the 12-month period.

(c) Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred in the event the Corporation forms a holding company as a result of which the holders of the Corporation's voting securities immediately prior to the transaction hold, in approximately the same relative proportions as they held prior to the transaction, substantially all of the voting securities of a holding company owning all of the Corporation's voting securities after the completion of the transaction.

(For the purposes herein, the term "person" shall mean any individual, corporation, partnership, group, association or other person, as such term is defined in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, other than the Corporation, a subsidiary of the Corporation or any employee benefit plan(s) sponsored or maintained by the Corporation or any subsidiary thereof, and the term "beneficial owner" shall have the meaning given the term in Rule 13d-3 under the Exchange Act.)

The Administrator shall have full and final authority, in its discretion, to determine whether a Change in Control of the Corporation has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

5. Termination of Employment. Except as may be otherwise provided in the Employment Agreement, RSUs that have not vested will be forfeited if an Employee has not been an Employee continuously since the date of the Award, subject to the following:

(a) The employment relationship of the Participant shall be treated as continuing intact for any period that the Participant is on military or sick leave or other bona fide leave of absence, provided that the period of such leave does not exceed three months, or, if longer, as long as the Participant's right to reemployment is guaranteed either by statute or by contract. The employment relationship of the Participant shall also be treated as continuing intact while the Participant is not in active service because of Disability. The Administrator shall have sole authority to determine whether the Participant has incurred a Disability, and, if applicable, the Participant's Termination Date.

(b) If the employment of the Participant is terminated for Cause, the RSUs that have not vested will be forfeited on the Termination Date, as determined by the Administrator. For the purposes of the Agreement, "Cause" shall mean, the Participant's termination of employment or service resulting from his (i) termination for "cause" as defined under the Participant's employment, consulting or other agreement with the Corporation or an Affiliate, if any, or (ii) if the Participant has not entered into any such employment, consulting or other agreement (or if any such agreement does not address the effect of a "cause" termination), then the Participant's termination shall be for "Cause" if termination results due to the Participant's (A) dishonesty; (B) refusal to perform his duties for the Corporation or continued failure to perform his duties to the Corporation in a manner acceptable to the Corporation, as determined by the Administrator or its designee; (C) engaging in fraudulent conduct; or (D) engaging in conduct that could be materially damaging to the Corporation without a reasonable good faith belief that such conduct was in the best interest of the Corporation.

6. No Right of Continued Employment or Service; Forfeiture of Award. Neither the Plan, the grant of the RSUs nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of the Corporation or an Affiliate or to interfere in any way with the right of the Corporation or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan, Employment Agreement or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the RSUs shall terminate upon termination of the Participant's employment or service.

7. Superseding Agreement; Binding Effect. This Agreement supersedes any statements, representations or agreements of the Corporation with respect to the grant of the RSUs or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective executors, administrators, next-of-kin, successors and assigns. This Agreement does not supersede or amend any non-competition agreement, non-solicitation agreement, employment agreement, consulting agreement or any other similar agreement between the Participant and the Corporation, including, but not limited to, any restrictive covenants contained in such agreements.

8. Representations and Warranties of Participant. The Participant represents and warrants to the Corporation that:

(a) Agrees to Terms of the Plan and Agreement. The Participant has received a copy of the Plan, has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their terms and conditions.

(b) Access to Information. The Participant has had access to all information regarding the Corporation and its present and prospective business, assets, liabilities and financial condition that the Participant reasonably considers important in making a decision to acquire the Shares subject to the RSUs, and the Participant has had ample opportunity to ask questions of, and to receive answers from, the Corporation's representatives concerning such matters and this investment.

(c) Understanding of Risks. The Participant is fully aware of: (i) the speculative nature of the investment in the Shares; (ii) the financial hazards involved in investment in the Shares; (iii) the lack of liquidity of the Shares subject to the RSUs and the restrictions on transferability of the Shares; (iv) the qualifications and backgrounds of the management of the Corporation; and (v) the tax consequences of investment in the Shares. The Participant is capable of evaluating the merits and risks of this investment, has the ability to protect his own interests in this transaction and is financially capable of bearing a total loss from this investment.

(d) Restrictions on Transfer. Participants agrees not to sell any Shares of Common Stock he receives under this Agreement at a time when applicable laws, regulations, Corporation trading policies (including the Corporation's Insider Trading Policy) or an agreement between the Corporation and its underwriters prohibit a sale. This restriction will apply as long as Participant's employment continues and for such period of time after the termination of Participant's employment as the Corporation and its counsel reasonable determine or as may be required by applicable law.

(e) Tax Consequences. The Corporation has made no warranties or representations to the Participant with respect to the tax treatment and consequences (including but not limited to income tax consequences) related to the transactions contemplated by this Agreement, and the Participant is in no manner relying on the Corporation or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences upon settlement of the RSUs, and upon the sale of the Shares obtained upon settlement of the RSUs, and that the Participant should consult a tax advisor prior to such exercise or disposition. The Participant acknowledges that he has been advised that he should consult with his own attorney, accountant and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that the Corporation has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant.

9. Compliance with Applicable Laws, Rules and Regulations. The Corporation may impose such restrictions on the RSUs, the Shares and any other benefits underlying the RSUs as it may deem advisable, including without limitation restrictions under the federal securities laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such securities. Notwithstanding any other provision in the Plan or the Agreement to the contrary, the Corporation shall not be obligated to issue, deliver or transfer shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with Applicable Laws (including but not limited to the requirements of the Securities Act). The Corporation may cause a restrictive legend to be placed on any certificate issued pursuant to the RSUs hereunder in such form as may be prescribed from time to time by Applicable Laws or as may be advised by legal counsel.

10. Changes in Status. Unless the Administrator determines otherwise, the RSUs shall not be affected by any change in the terms, conditions or status of the Participant's employment or service, provided that the Participant continues to be an employee of, or in service to, the Corporation or an Affiliate.

11. Governing Law; Jurisdiction. Except as otherwise provided in the Plan, this Agreement shall be construed and enforced according to the laws of the State of Delaware, without regard to the principles of conflicts of laws, and in accordance with applicable federal laws of the United States. Each party agrees and submits to the exclusive jurisdiction of the state and federal courts sitting in Mecklenburg County, North Carolina, in any action or proceeding arising out of or relating to this Agreement and agree that all claims in respect of the action or proceeding may be heard and determined in any such court.

12. Amendment and Termination; Waiver. Subject to the terms of the Plan, this Agreement may be amended, altered and/or terminated at any time by the Administrator; provided, however, that any such amendment, alteration or termination of the RSUs shall not, without the consent of the Participant, materially adversely affect the rights of the Participant with respect to the RSUs. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent and without shareholder approval, unless such approval is required by Applicable Laws) to the extent necessary to comply with Applicable Laws or changes to Applicable Laws (including but not limited to Code Section 409A and Code Section 422 or related regulations or other guidance and federal securities laws). The Administrator shall have unilateral authority to make adjustments to the terms and conditions of the RSUs in recognition of unusual or nonrecurring events affecting the Corporation or any Affiliate, or the financial statements of the Corporation or any Affiliate, or of changes in accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable accounting principles. The waiver by the Corporation of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant.

13. No Rights as a Shareholder and Adjustments for Changes in Capital and Corporate Structure. The Participant and his legal representatives, legatees, distributees or transferees shall not be deemed to be the holder of any Shares subject to the RSUs and shall not have any rights of a shareholder unless and until certificates for such Shares have been issued and delivered to him or them. The RSUs are not Dividend Equivalent Awards under the Plan. The RSUs granted hereunder shall be subject to the provisions of Section 5(d) of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Corporation's corporate structure and for material corporate transactions. Withholding. The Participant acknowledges that the Corporation shall require the Participant to pay the Corporation in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by the Corporation to such authority for the account of the Participant, and the Participant agrees, as a condition to the grant of the RSUs and delivery of the Shares, to satisfy such obligations. Notwithstanding the foregoing, the Administrator may establish procedures to permit the Participant to satisfy such obligations in whole or in part, and any other local, state, federal or foreign income tax obligations relating to the RSUs, by electing (the "election") to have the Corporation withhold shares of Common Stock from the Shares to which the Participant is entitled. The number of shares to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to (but not exceeding) the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator.

14. Administration. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement shall be final and binding.

15. Notices. Except as may be otherwise provided by the Plan or determined by the Administrator, any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailed but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Corporation's records, or if to the Corporation, at the Corporation's principal office.

16. Severability. If any provision of the Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

17. Notice of Disposition. To the extent that the RSUs is designated as an Incentive RSUs, if Shares of Common Stock acquired upon exercise of the RSUs are disposed of within two years following the date of grant or one year following the transfer of such Shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Corporation in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Administrator may reasonably require.

18. Right of Offset. Notwithstanding any other provision of the Plan or the Agreement, the Corporation may reduce the amount of any payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to the Corporation, and the Participant shall be deemed to have consented to such reduction.

19. Cash Settlement. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Administrator may (subject to any requirements imposed under Code Section 409A, related regulations or other guidance) cause the RSUs (or portion thereof) to be cancelled in consideration of an alternative award or cash payment of an equivalent cash value, as determined by the Administrator in its sole discretion, made to the Participant.

20. Counterparts; Further Instruments. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement has been executed in behalf of the Corporation and by the Participant effective as of the day and year first above written.

CHANTICLEER HOLDINGS, INC.

By: */s/ Michael D. Pruitt*
Michael D. Pruitt, CEO

Attest:

Kathi Fath, Secretary
[Corporate Seal]

PARTICIPANT

By: _____

CHANTICLEER HOLDINGS, INC.
2014 STOCK INCENTIVE PLAN

Restricted Stock Unit Agreement

(Employees)

SCHEDULE A

Employee:	Frederick L. Glick
Award Date:	November 16, 2018
Number granted:	30,000 RSUs
Schedule for Time-related Vesting and Settlement	10,000 RSUs vest on the Grant Date Except as provided under the Agreement, 20,000 RSUs vest as to one-eighth of the underlying Shares in eight quarterly installments on the first day of each fiscal quarter during Executive's continued employment with the Corporation commencing January 1, 2019
Settlement:	RSUs granted hereunder that have vested will be settled by delivery of one share of the Corporation's Common Stock for each RSU being settled. Settlement of RSUs shall occur at the applicable vesting date.

CHANTICLEER HOLDINGS, INC.
2014 STOCK INCENTIVE PLAN

Stock Option Agreement
(Employees)

THIS AGREEMENT (together with Schedule A attached hereto, this "Agreement"), made effective the 16th day of November 2018 between Chanticleer Holdings, Inc., a Delaware corporation (the "Corporation"), and Frederick L. Glick, an Employee of the Corporation or an Affiliate (the "Participant").

RECITALS

In furtherance of the purposes of the Chanticleer Holdings, Inc. 2014 Stock Incentive Plan, as it may be hereafter amended (the "Plan"), and in consideration of the services of the Participant and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Participant hereby agree as follows:

1. Incorporation of Plan. The rights and duties of the Corporation and the Participant under this Agreement shall in all respects be subject to and governed by the provisions of the Plan and the Employment Agreement between Participant and the Corporation dated November 16, 2018 ("Employment Agreement"), copies of which are delivered herewith or have been previously provided to the Participant, and the terms of which are incorporated herein by reference. In the event of any conflict between the provisions in the Agreement and those of the Plan or Employment Agreement, the provisions of the Plan and Employment Agreement shall govern. Unless otherwise defined herein, capitalized terms in this Agreement shall have the same definitions as set forth in the Plan.

2. Grant of Option; Term of Option. The Corporation hereby grants to the Participant, pursuant to the Plan, as a matter of separate inducement and agreement in connection with his employment with the Corporation, and not in lieu of any salary or other compensation for his services, the right and option (the "Option") to purchase all or any part of an aggregate of the number of shares (the "Shares") of the Common Stock (the "Common Stock"), at a purchase price (the "Option Price") both as indicated on Schedule A of this Option Agreement , which Schedule is incorporated herein by reference. The Option to purchase Shares shall be designated as an Incentive Option. To the extent that the Option is designated as an Incentive Option and such Option does not qualify as an Incentive Option, the Option (or portion thereof) shall be treated as a Nonqualified Option. Except as otherwise provided in the Plan, the Option will expire if not exercised in full before the date indicated on Schedule A of this Option Agreement (the "Expiration Date") (such term commencing with the Grant Date and ending on the Expiration Date being referred to as the "Option Period").

3. Exercise of Option. The Option shall become exercisable on the date or dates and subject to such conditions set forth in the Plan, this Agreement, the Employment Agreement and Schedule A. To the extent that the Option is exercisable but is not exercised, the Option shall accumulate and be exercisable by the Participant in whole or in part at any time prior to expiration of the Option, subject to the terms of the Plan and this Agreement. Upon the exercise of an Option in whole or in part, payment of the Option Price in accordance with the provisions of the Plan and this Agreement, and satisfaction of such other conditions as may be established by the Administrator, the Corporation shall promptly deliver to the Participant a certificate or certificates for the Shares purchased. The total number of Shares that may be acquired upon exercise of the Option shall be rounded down to the nearest whole share. No fractional shares will be issued. Payment of the Option Price may be made in cash or cash equivalent; provided that, where permitted by the Administrator and Applicable Laws (and subject to such terms and conditions as may be established by the Administrator), payment may also be made (i) by delivery (by either actual delivery or attestation) of shares of Common Stock owned by the Participant at the time of exercise for a time period, if any, of at least six months (or such other time period, if any, necessary to avoid variable accounting or other accounting consequences deemed unacceptable to the Administrator); (ii) by shares of Common Stock withheld upon exercise but only if and to the extent that payment by such method does not result in variable accounting or other accounting consequences deemed unacceptable to the Administrator; (iii) with respect only to purchases upon exercise of the Option only after a public market for the Common Stock exists, by delivery of written notice of exercise to the Corporation and delivery to a broker of written notice of exercise and irrevocable instructions to promptly deliver to the Corporation the amount of sale or loan proceeds to pay the Option Price; (iv) by such other payment methods as may be approved by the Administrator and which are acceptable under Applicable Laws; or (v) by any combination of the foregoing methods. Shares tendered or withheld in payment of the Option Price shall be valued at their Fair Market Value on the date of exercise, as determined by the Administrator.

4. Effect of Change in Control.

(a) Notwithstanding any other provision of the Plan to the contrary, and except as may be otherwise provided in the Employment Agreement or required under Code Section 409A, related regulations or other guidance, in the event of a Change in Control (as defined in Section 4(c) herein), the Option, if outstanding as of the date of such Change in Control, shall become fully exercisable, whether or not then otherwise exercisable.

(b) For the purposes herein, except as may be otherwise required in order to comply with Code Section 409A, a "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

(i) The date any entity or person shall have become the beneficial owner of, or shall have obtained voting control over, fifty percent (50%) or more of the outstanding Common Stock of the Corporation;

(ii) The date the shareholders of the Corporation approve a definitive agreement (A) to merge or consolidate the Corporation with or into another corporation or other business entity (each, a "corporation"), in which the Corporation is not the continuing or surviving corporation or pursuant to which any shares of Common Stock of the Corporation would be converted into cash, securities or other property of another corporation, in each case other than a merger or consolidation of the Corporation in which the holders of Common Stock immediately prior to the merger or consolidation continue to own immediately after the merger or consolidation at least fifty percent (50%) of the Common Stock, or, if the Corporation is not the surviving corporation, the common stock (or other voting securities) of the surviving corporation; provided, however, that if consummation of such merger or consolidation is subject to the approval of federal, state or other regulatory authorities, then, unless the Administrator determines otherwise, a "Change in Control" shall not be deemed to occur until the later of the date of shareholder approval of such merger or consolidation or the date of final regulatory approval of such merger or consolidation; or (B) to sell or otherwise dispose of all or substantially all the assets of the Corporation; or

(iii) The date there shall have been a change in a majority of the Board of Directors of the Corporation within a 12-month period unless the nomination for election by the Corporation's shareholders of each new Director was approved by the vote of two-thirds of the members of the Board (or a committee of the Board, if nominations are approved by a Board committee rather than the Board) then still in office who were in office at the beginning of the 12-month period.

(c) Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred in the event the Corporation forms a holding company as a result of which the holders of the Corporation's voting securities immediately prior to the transaction hold, in approximately the same relative proportions as they held prior to the transaction, substantially all of the voting securities of a holding company owning all of the Corporation's voting securities after the completion of the transaction.

(For the purposes herein, the term "person" shall mean any individual, corporation, partnership, group, association or other person, as such term is defined in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, other than the Corporation, a subsidiary of the Corporation or any employee benefit plan(s) sponsored or maintained by the Corporation or any subsidiary thereof, and the term "beneficial owner" shall have the meaning given the term in Rule 13d-3 under the Exchange Act.)

The Administrator shall have full and final authority, in its discretion, to determine whether a Change in Control of the Corporation has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

5. Termination of Employment. The Option shall not be exercised unless the Participant is, at the time of exercise, an Employee and has been an Employee continuously since the date the Option was granted, subject to the following (except as may be otherwise provided in the Employment Agreement between the Participant and the Corporation):

(a) The employment relationship of the Participant shall be treated as continuing intact for any period that the Participant is on military or sick leave or other bona fide leave of absence, provided that the period of such leave does not exceed three months, or, if longer, as long as the Participant's right to reemployment is guaranteed either by statute or by contract. The employment relationship of the Participant shall also be treated as continuing intact while the Participant is not in active service because of Disability. The Administrator shall have sole authority to determine whether the Participant has incurred a Disability, and, if applicable, the Participant's Termination Date.

(b) If the employment of the Participant is terminated because of Disability or death, the Option may be exercised only to the extent exercisable on the Participant's Termination Date. The Option must be exercised, if at all, prior to the first to occur of the following, whichever shall be applicable: (X) the close of the one-year period following the Termination Date; or (Y) the close of the Option Period. In the event of the Participant's death, the Option shall be exercisable by such person or persons as shall have acquired the right to exercise the Option by will or by the laws of intestate succession.

(c) If the employment of the Participant is terminated for any reason other than Disability, death or for Cause, the Option may be exercised only to the extent exercisable on his Termination Date. The Option must be exercised, if at all, prior to the first to occur of the following, whichever shall be applicable: (X) the close of the period of three months next succeeding the Termination Date; or (Y) the close of the Option period. If the Participant dies following such termination of employment and prior to the earlier of the dates specified in (X) or (Y) of this subparagraph (c), the Participant shall be treated as having died while employed under subparagraph (b) (treating for this purpose the Participant's date of termination of employment as the Termination Date). In the event of the Participant's death, the Option shall be exercisable by such person or persons as shall have acquired the right to exercise the Option by will or by the laws of intestate succession.

(d) If the employment of the Participant is terminated for Cause, the Option shall lapse and no longer be exercisable as of his Termination Date, as determined by the Administrator. For the purposes of the Agreement, "Cause" shall mean the Participant's termination of employment or service resulting from his (i) termination for "cause" as defined under the Participant's employment, consulting or other agreement with the Corporation or an Affiliate, if any, or (ii) if the Participant has not entered into any such employment, consulting or other agreement (or if any such agreement does not address the effect of a "cause" termination), then the Participant's termination shall be for "Cause" if termination results due to the Participant's (A) dishonesty; (B) refusal to perform his duties for the Corporation or continued failure to perform his duties to the Corporation in a manner acceptable to the Corporation, as determined by the Administrator or its designee; (C) engaging in fraudulent conduct; or (D) engaging in conduct that could be materially damaging to the Corporation without a reasonable good faith belief that such conduct was in the best interest of the Corporation.

6. No Right of Continued Employment or Service; Forfeiture of Award. Neither the Plan, the grant of the Option nor any other action related to the Plan shall confer upon the Participant any right to continue in the employment or service of the Corporation or an Affiliate or to interfere in any way with the right of the Corporation or an Affiliate to terminate the Participant's employment or service at any time. Except as otherwise expressly provided in the Plan, Employment Agreement or this Agreement or as determined by the Administrator, all rights of the Participant with respect to the Option shall terminate upon termination of the Participant's employment or service.

7. Nontransferability of Option. To the extent that this Option is designated as an Incentive Option, the Option shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws or intestate succession, or, in the Administrator's discretion, as may otherwise be permitted in accordance with Treas. Reg. Section 1.421-1(b)(2) or any successor provision thereto. To the extent that this Option is designated as a Nonqualified Option, the Option shall not be transferable (including by sale, assignment, pledge or hypothecation) other than by will or the laws of intestate succession, except as may be permitted by the Administrator in a manner consistent with the registration provisions of the Securities Act. Except as may be permitted by the preceding, the Option shall be exercisable during the Participant's lifetime only by him or by his guardian or legal representative. The designation of a beneficiary in accordance with the Plan does not constitute a transfer.

8. Superseding Agreement; Binding Effect. This Agreement supersedes any statements, representations or agreements of the Corporation with respect to the grant of the Option or any related rights, and the Participant hereby waives any rights or claims related to any such statements, representations or agreements. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective executors, administrators, next-of-kin, successors and assigns. This Agreement does not supersede or amend any non-competition agreement, non-solicitation agreement, employment agreement, consulting agreement or any other similar agreement between the Participant and the Corporation, including, but not limited to, any restrictive covenants contained in such agreements.

9. Representations and Warranties of Participant. The Participant represents and warrants to the Corporation that:

(a) Agrees to Terms of the Plan and Agreement. The Participant has received a copy of the Plan, has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their terms and conditions.

(b) Access to Information. The Participant has had access to all information regarding the Corporation and its present and prospective business, assets, liabilities and financial condition that the Participant reasonably considers important in making a decision to acquire the Shares subject to the Option, and the Participant has had ample opportunity to ask questions of, and to receive answers from, the Corporation's representatives concerning such matters and this investment.

(c) Understanding of Risks. The Participant is fully aware of: (i) the speculative nature of the investment in the Shares; (ii) the financial hazards involved in investment in the Shares; (iii) the lack of liquidity of the Shares subject to the Option and the restrictions on transferability of such Shares; (iv) the qualifications and backgrounds of the management of the Corporation; and (v) the tax consequences of investment in the Shares. The Participant is capable of evaluating the merits and risks of this investment, has the ability to protect his own interests in this transaction and is financially capable of bearing a total loss from this investment.

(d) Restrictions on Transfer. Participants agrees not to sell any Shares of Common Stock he receives under this Agreement at a time when applicable laws, regulations, Corporation trading policies (including the Corporation's Insider Trading Policy) or an agreement between the Corporation and its underwriters prohibit a sale. This restriction will apply as long as Participant's employment continues and for such period of time after the termination of Participant's employment as the Corporation and its counsel reasonable determine or as may be required by applicable law.

(e) Tax Consequences. The Corporation has made no warranties or representations to the Participant with respect to the tax treatment and consequences (including but not limited to income tax consequences) related to the transactions contemplated by this Agreement, and the Participant is in no manner relying on the Corporation or its representatives for an assessment of such tax consequences. The Participant acknowledges that there may be adverse tax consequences upon exercise of the Option, and upon the sale of the Shares obtained upon exercise of the Option, and that the Participant should consult a tax advisor prior to such exercise or disposition. The Participant acknowledges that he has been advised that he should consult with his own attorney, accountant and/or tax advisor regarding the decision to enter into this Agreement and the consequences thereof. The Participant also acknowledges that the Corporation has no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for the Participant. The Participant acknowledges that exercise of an Incentive Option must generally occur within three months of termination of employment, regardless of any longer period allowed by this Agreement.

10. Compliance with Applicable Laws, Rules and Regulations. The Corporation may impose such restrictions on the Option, the Shares and any other benefits underlying the Option as it may deem advisable, including without limitation restrictions under the federal securities laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities laws applicable to such securities. Notwithstanding any other provision in the Plan or the Agreement to the contrary, the Corporation shall not be obligated to issue, deliver or transfer shares of Common Stock, make any other distribution of benefits under the Plan, or take any other action, unless such delivery, distribution or action is in compliance with Applicable Laws (including but not limited to the requirements of the Securities Act). The Corporation may cause a restrictive legend to be placed on any certificate issued pursuant to the Option hereunder in such form as may be prescribed from time to time by Applicable Laws or as may be advised by legal counsel.

11. Changes in Status. Unless the Administrator determines otherwise, the Option shall not be affected by any change in the terms, conditions or status of the Participant's employment or service, provided that the Participant continues to be an employee of, or in service to, the Corporation or an Affiliate.

12. Governing Law; Jurisdiction. Except as otherwise provided in the Plan, this Agreement shall be construed and enforced according to the laws of the State of Delaware, without regard to the principles of conflicts of laws, and in accordance with applicable federal laws of the United States. Each party agrees and submits to the exclusive jurisdiction of the state and federal courts sitting in Mecklenburg County, North Carolina, in any action or proceeding arising out of or relating to this Agreement and agree that all claims in respect of the action or proceeding may be heard and determined in any such court.

13. Amendment and Termination; Waiver. Subject to the terms of the Plan, this Agreement may be amended, altered and/or terminated at any time by the Administrator; provided, however, that any such amendment, alteration or termination of the Option shall not, without the consent of the Participant, materially adversely affect the rights of the Participant with respect to the Option. Notwithstanding the foregoing, the Administrator shall have unilateral authority to amend the Plan and this Agreement (without Participant consent and without shareholder approval, unless such approval is required by Applicable Laws) to the extent necessary to comply with Applicable Laws or changes to Applicable Laws (including but not limited to Code Section 409A and Code Section 422 or related regulations or other guidance and federal securities laws). The Administrator shall have unilateral authority to make adjustments to the terms and conditions of the Option in recognition of unusual or nonrecurring events affecting the Corporation or any Affiliate, or the financial statements of the Corporation or any Affiliate, or of changes in accounting principles, if the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable accounting principles. The waiver by the Corporation of a breach of any provision of the Agreement by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant.

14. No Rights as a Shareholder and Adjustments for Changes in Capital and Corporate Structure. The Participant and his legal representatives, legatees, distributees or transferees shall not be deemed to be the holder of any Shares subject to the Option and shall not have any rights of a shareholder unless and until certificates for such Shares have been issued and delivered to him or them. The Option granted hereunder and Shares subject to the Option shall be subject to the provisions of Section 5(d) of the Plan relating to adjustments for recapitalizations, reclassifications and other changes in the Corporation's corporate structure and for material corporate transactions.

15. Withholding. The Participant acknowledges that the Corporation shall require the Participant to pay the Corporation in cash the amount of any tax or other amount required by any governmental authority to be withheld and paid over by the Corporation to such authority for the account of the Participant, and the Participant agrees, as a condition to the grant of the Option and delivery of the Shares, to satisfy such obligations. Notwithstanding the foregoing, the Administrator may establish procedures to permit the Participant to satisfy such obligations in whole or in part, and any other local, state, federal or foreign income tax obligations relating to the Option, by electing (the "election") to have the Corporation withhold shares of Common Stock from the Shares to which the Participant is entitled. The number of shares to be withheld shall have a Fair Market Value as of the date that the amount of tax to be withheld is determined as nearly equal as possible to (but not exceeding) the amount of such obligations being satisfied. Each election must be made in writing to the Administrator in accordance with election procedures established by the Administrator.

16. Administration. The authority to construe and interpret this Agreement and the Plan, and to administer all aspects of the Plan, shall be vested in the Administrator, and the Administrator shall have all powers with respect to this Agreement as are provided in the Plan. Any interpretation of the Agreement by the Administrator and any decision made by it with respect to the Agreement shall be final and binding.

17. Notices. Except as may be otherwise provided by the Plan or determined by the Administrator, any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailed but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Corporation's records, or if to the Corporation, at the Corporation's principal office.

18. Severability. If any provision of the Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

19. Notice of Disposition. To the extent that the Option is designated as an Incentive Option, if Shares of Common Stock acquired upon exercise of the Option are disposed of within two years following the date of grant or one year following the transfer of such Shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Corporation in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Administrator may reasonably require.

20. Right of Offset. Notwithstanding any other provision of the Plan or the Agreement, the Corporation may reduce the amount of any payment otherwise payable to or on behalf of the Participant by the amount of any obligation of the Participant to the Corporation, and the Participant shall be deemed to have consented to such reduction.

21. Cash Settlement. Notwithstanding any provision of the Plan or this Agreement to the contrary, the Administrator may (subject to any requirements imposed under Code Section 409A, related regulations or other guidance) cause the Option (or portion thereof) to be cancelled in consideration of an alternative award or cash payment of an equivalent cash value, as determined by the Administrator in its sole discretion, made to the Participant.

22. Counterparts; Further Instruments. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties hereto agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Agreement has been executed in behalf of the Corporation and by the Participant effective as of the day and year first above written.

CHANTICLEER HOLDINGS, INC.

By: */s/ Michael D. Pruitt*
Michael D. Pruitt, CEO

Attest:

Kathi Fath, Secretary
[Corporate Seal]

PARTICIPANT

By: */s/ Frederick L. Glick*
Frederick L. Glick

CHANTICLEER HOLDINGS, INC.
2014 STOCK INCENTIVE PLAN

Stock Option Agreement
(Employees)

SCHEDULE A

Employee:	Frederick L. Glick
Number granted:	5-year Incentive Stock Option to purchase 10,000 shares of common stock , $.0001 par value per share, ("Shares") with an exercise price of $3.50; and 5-year Incentive Stock Option to purchase 10,000 Shares with an exercise price of $4.50
Date of Grant:	November 16, 2018
Schedule for Time-related Vesting and Settlement	Except as provided under the Agreement, Option vests as to one-eighth of the underlying Shares of common stock in eight installments on the first day of each fiscal quarter during Optionee's continued employment with the Corporation commencing January 1, 2019
Expiration Date	November 16, 2023 unless earlier terminated as provided in Governing Documents

AMENDMENT TO 8% SECURED DEBENTURES

This Amendment ("Amendment") by CHANTICLEER HOLDINGS, INC., a Delaware corporation ("Chanticleer") and the undersigned individuals ("Holders") amends the 8% Secured Debentures in the aggregate principal amount of $6,000,000 (the "Debentures") and is effective as to each Holder on the date indicated by its signature below ("Effective Date").

RECITAL

WHEREAS, on the Effective Date, Chanticleer and the Holders agree that the terms and conditions of the Debentures will be deemed modified in the manner hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, conditions, representations and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually agree as follows:

1. The foregoing recital is true and correct and incorporated herein. Any capitalized term not defined herein shall have the same meaning ascribed to it in the Debentures.

2. The Maturity Date of the principal balance of the Debentures outstanding on the Effective Date is hereby extended to March 31, 2020; provided however, if 50% of the principal balance of the Debentures is not paid on or prior to December 31, 2019, Holders of Debentures in the aggregate principal amount greater than $3 million, acting together, may, upon 15 days' written notice to Chanticleer, demand full and immediate payment of the Debentures.

3. Each Holder will receive new warrants to purchase that number of shares of common stock equal to 20% of the principal amount of such Holder's Debenture, which new warrants will have an exercise price of the greater of $2.25 or the NASDAQ Official Closing Price calculated as of the Effective Date, will not be exercisable for a period of six months and will otherwise be substantially identical to the original Warrants issued May 4, 2017.

4. No Events of Default under the Debentures has occurred or been declared by the Holders prior to the date hereof and, for clarity, Events of Default are not triggered and do not continue and accrue unless and until they are declared at sole option of Holders.

5. In the case of conflict between the provisions of the Debentures, on the one hand, and this Amendment on the other hand, the provisions of this Amendment will prevail.

6. This Amendment may be executed in counterparts, all of which, when so executed and delivered, shall be deemed an original, but all counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or in electronic (i.e., "pdf") format shall be effective as delivery of a manually executed counterpart signature page.

IN WITNESS WHEREOF, this Amendment has been duly executed by or on behalf of each of the parties as of the date first written above.

CHANTICLEER HOLDINGS INC.,
a Delaware corporation

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

AGREED AND ACCEPTED:

HOLDERS:

Douglas S. Ramer

/s/ Douglas S. Ramer
Douglas S. Ramer
Date:

Bryan Ezralow 1994 Trust U/T/D 12.22.1994

/s/ Bryan Ezralow
By: Bryan Ezralow
Its: Trustee
Date:

Elevado Investment Company, LLC

/s/ Bryan Ezralow
By: Bryan Ezralow, as Trustee of the
Ezralow Family Trust U/T/D/ 12.09.1980
Its: Manager and Member
Date:

C and R Irrevocable Trust U/T/D 11.05.07

/s/ David M. Leff
By: David M. Leff
Its: Trustee
Date:

EMSE, LLC

/s/ Bryan Ezralow
By: Bryan Ezralow as Trustee of Bryan
Ezralow 1994 Trust U/T/D 12.22.1994
Its: Manager and Member
Date:

David Leff Family Trust U/T/D 2.03.1988

/s/ David M. Leff
By: David M. Leff
Its: Trustee
Date:

Freedman 2006 Irrevocable Trust U/T/D 12.27.2006

/s/ Gary E. Freedman
By: Gary E. Freedman
Its: Trustee
Date:

Haddad Family Trust

/s/ David Haddad
By: David Haddad
Its: Trustee
Date:

Freedman Family Trust U/T/D 5.25.1982

/s/ Gary E. Freedman
By: Gary E. Freedman
Its: Trustee
Date:

Jonathan and Nancy Glaser Trust U/T/D 12.16.1998

/s/ Jonathan Glaser
By: Jonathan Glaser
Its: Trustee
Date:

Larry S. Spitcaufsky, Trustee of Larry Spitcaufsky Family Trust U/T/D 1.19.88

/s/ Larry Spitcaufsky
By: Larry Spitcaufsky
Its: Trustee
Date:

Marc Ezralow 1997 Trust U/T/D 11.26.1997

/s/ Marc Ezralow
By: Marc Ezralow
Its: Trustee
Date:

Joshua and Julie Ofman Family Trust

/s/ Joshua J. Ofman
By: Joshua J. Ofman
Its: Trustee
Date:

SPA Trust

/s/ Marc Ezralow
By: Marc Ezralow
Its: Trustee
Date:

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the **"Agreement"**) is made effective as of the 7th day of January, 2019 (the **"Effective Date"**), between PATRICK HARKLEROAD, an individual resident of the State of North Carolina (**"Executive"**), and CHANTICLEER HOLDINGS, INC., a Delaware corporation (**"Company"**).

Recitals:

Company desires to employ Executive and Executive desires to accept such employment on the terms and conditions hereinafter set forth.

Agreements:

NOW, THEREFORE, in consideration of the recitals and mutual promises and covenants contained herein, and for other good and valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Duties.** The Company hereby employs Executive as Chief Financial Officer and the Executive hereby accepts such employment upon the terms and conditions hereinafter set forth. By executing this Agreement, Executive represents and warrants to Company that (i) the Executive is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound; (ii) the Executive has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer by which he is bound; and (iii) in connection with his employment with the Company, the Executive will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer. In said position, the Executive shall perform the duties and responsibilities assigned to him, including but not limited to those as set forth in Exhibit A attached hereto and incorporated herein by reference and such other responsibilities and duties as the Company may assign, in its sole discretion, from time to time. The Executive shall perform, faithfully and diligently, his duties on behalf of the Company, as may be designated from time to time, and shall devote his full time and best efforts to the performance of his duties hereunder. The Executive shall conduct himself at all times in such a manner as to maintain the good reputation of the Company.

2. **Term.** The Executive's employment with the Company under this Agreement will commence January 15, 2019 and continue until December 31, 2020 **("Initial Term")**, automatically renewing thereafter for additional one-year renewal terms (each a **"Renewal Term"**) until terminated as provided herein (Initial Term together with Renewal Terms, the **"Term"**); provided however, either party may give notice of non-renewal with no less than 90 days notice prior to the commencement of any renewal term. Executive's employment with the Company shall be on an "at-will" basis.

3. **Compensation.** In consideration of Executive's services hereunder:

   a. Base Compensation. Company shall pay Executive an annual salary (prorated for any year of employment less than 12 months) at a gross rate of One Hundred and Fifty-Five Thousand Dollars ($155,000.00) (the **"Base Compensation"**), payable in such amounts and at such times in accordance with Company's normal payroll practices.

   b. Benefits. The Executive will be entitled to 15 days of paid vacation per calendar year in accordance with the Company's vacation and paid time off policy, inclusive of vacation days and sick days and excluding standard paid Company holidays, in the same manner as paid time off days for employees of the Company generally accrue. The Executive and his dependents will be entitled to participate in all medical insurance and other benefit programs in effect from time to time and available to senior executives of the Company at levels commensurate with Executive's position.

   c. Expenses / Cell Phone / Laptop Computer. The Executive shall be entitled to receive reimbursement by the Company for all reasonable, out-of-pocket expenses actually incurred by the Executive in connection with the performance of his services hereunder. The Executive's right to reimbursement hereunder shall, however, be subject to such policies and procedures as may be established by the Company from time to time, which policies and procedures may include advance approval with respect to any particular expenditure. Company will provide the Executive with a laptop computer for his use solely in the performance of his duties under this Agreement and will reimburse the Executive for his monthly cell phone expense up to $125 per month.

   d. Merit and Performance Bonus. Subject to his continued employment by the company the Executive shall be eligible for a Bonus based upon the parameters set forth in Exhibit B attached hereto and incorporated herein by reference.

   e. Stock Option Grants. During the Initial Term, the Executive shall receive equity awards pursuant to the Company's equity incentive plan in effect (the **"Plan"**) consisting of (1) 5,000 5-year Incentive Stock Options with an exercise price of $3.50 and (2) 5,000 5-year Incentive Stock Options with an exercise price of $4.50 ((1) and (2) referred to herein as the "Equity Awards"). The Equity Awards shall vest in eight quarterly installments on the first day of each fiscal quarter during Executive's continued employment with the Company commencing March 1, 2019 and are subject to the terms of the Plan.

4. **Termination of Employment.** The employment of Executive is employment at will, and either Company or Executive may terminate this Agreement at any time without Cause or reason upon one hundred and eighty (180) days' prior written notice to the other party. Upon notice of termination, the Company may relieve Executive any or all of his duties and responsibilities during all or part of the notice period. In addition, Company may terminate this Agreement with Cause, immediately upon notice to the Executive, though a relieving of the Executive for Cause would still require the above notice period. For purposes of this Agreement, **"Cause"** means drug or alcohol abuse; indictment, arraignment, or similar charge of a felony, crime involving moral turpitude, or crime against Company; a material breach of this Agreement excluding any isolated, unsubstantial or inadvertent action not taken in bad faith and which is remedied by Executive promptly after receipt of notice thereof given by Company; the Executive's failure or refusal to carry out the lawful duties of Executive described in Section 1 above, which duties are reasonably consistent with the duties to be performed by Executive; any willful or grossly negligent act or omission by Executive having a material adverse effect on the business, goodwill or reputation of Company; any deception, fraud, misrepresentation or dishonesty by Executive having a material adverse effect on Company's business, goodwill or reputation; or any disqualifying event of Executive causing Company "bad actor" disqualification under Rule 506(d) of the Securities Act of 1933, as amended.

5. **Inventions / Intellectual Property.** All materials, inventions, products, and modifications developed or prepared by Executive while employed by the Company, including, without limitation, forms, images and text (including text viewable on the Internet and any HTML elements relating thereto) (**"Intellectual Property"**) are the property of Company and all right, title and interest therein shall vest in Company and shall be deemed to be a "work made for hire" under United States copyright law (17 U.S.C. §101 et seq.) and made in the course of this Agreement. Executive shall promptly disclose to Company and Intellectual Property.

   To the extent that title to any such Intellectual Property may not, by operation of law, vest in Company or such works may not be considered to be work made for hire, all right, title and interest therein are hereby irrevocably assigned exclusively to Company with worldwide license.

   All such Intellectual Property shall belong exclusively to Company with Company having the right to obtain and to hold in its own name, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof Executive gives Company a limited power of attorney to execute instruments or perform any other act on Executive's behalf necessary to effectuate Company's ownership rights detailed in this section and agrees to give Company and any person designated by Company, any reasonable assistance required to perfect and enforce the rights defined in this Section 4. Executive shall also render to the Company, at the Company's expense, reasonable assistance in the perfection, enforcement and defense of any Intellectual Property.

6. **Trade Secrets.** All memoranda, notes, records and others documents made or compiled by Executive, or made available to Executive during the Term of this Agreement concerning the business of the Company or its affiliates shall be the Company's property and shall be delivered to the Company on the termination of this Agreement or at any other time on request. Executive understands and agrees that in the course of employment with the Company, Executive may obtain access to and/or acquire Confidential Information (as defined below), all of which information Executive understands and agrees would be extremely damaging to the Company if disclosed to a competitor or made available to any other person or entity.

   As used herein the term **"Competitor"** includes, but is not limited to, any corporation, firm or business engaged in the business of a casual dining burger restaurant or grill. Executive understands and agrees that such information is divulged to Executive in confidence, and Executive understands and agrees that, at all times, Executive shall keep in confidence and will not disclose or communicate Confidential Information on Executive's own behalf, or on behalf of any Competitor, if such information is not otherwise publicly available, unless disclosure is made pursuant to written approval by the Company, or is required by law or legal process or as required to enforce the terms of this Agreement, which shall only be disclosed under protective order. In view of the nature of Executive's employment and information which Executive may receive during the course of Executive's employment, Executive likewise agrees that the Company would be irreparably harmed by any violation of this Paragraph and that, therefore, the Company shall be entitled to seek provisional relief from an appropriate forum prohibiting Executive from any violation or threatened violation of this Paragraph.

7. Confidentiality.

a. Executive acknowledges and agrees that all Confidential Information (as defined below) of the Company is confidential and a valuable, special and unique asset of the Company that gives the Company an advantage over its actual and potential, current and future Competitors. Executive further acknowledges and agrees that Executive owes the Company a fiduciary duty of confidentiality and a duty of loyalty and shall use good faith efforts to preserve and protect all Confidential Information from unauthorized disclosure or unauthorized use; that certain Confidential Information may constitute "trade secrets" under applicable state and federal laws; and that unauthorized disclosures or unauthorized use of the Confidential Information may irreparably injure the Company.

b. As used in this Agreement, the term **"Confidential Information"** shall include, but is not limited to, the following: all trade secrets of the Company; all information that the Company has marked as confidential or has otherwise described to Executive (either in writing or orally) as confidential; all non-public information concerning the Company's services, products, customers, research, prices, discounts, costs, marketing plans, marketing techniques, market studies, test data, vendor, referral sources, and contracts; all of the Company's business records and plans; all of the Company's personnel files; details of employment relationships between the Company and its personnel; all financial information of or concerning the Company; all information relating to the Company's computer system software, application software, software and systems methodology, hardware platforms, technical information, inventions, computer programs and listings, source codes, object codes, copyrights and other intellectual property; all technical specifications; any proprietary information belonging to the Company; all computer hardware or software manuals; all training or instruction manuals; and all data, computer system passwords and user codes.

c. During the Term of Executive's employment and after the termination of Executive's employment for any reason (including wrongful termination), Executive shall hold all Confidential Information in confidence, and shall not use any Confidential Information except for the benefit of the Company, in accordance with the duties assigned to Executive. Executive shall not, at any time (either during or after the Term of Executive's employment), disclose any Confidential Information to any person or entity (except other Executives of the Company who have a need to know the information in connection with the performance of their employment duties, and who have been informed of the confidential nature of the Confidential Information and have agreed to keep it confidential), or copy, reproduce, or modify any Confidential Information, or remove any Confidential Information from the Company's premises, without the prior written consent of the Company, or instruct any other person to do so. Executive shall take reasonable precautions to protect the physical security of all documents and other material containing Confidential Information (regardless of the medium on which the Confidential Information is stored). This Agreement applies to all Confidential Information, whether now known or which later becomes known to Executive during the Term.

e. During Executive's Term of employment, Executive agrees not to undertake planning for or organization of any business activity competitive with the Company's business or combine or join with other Executives, Executives or representatives of the Company's business for the purpose of organizing any such competitive business activity. The Company shall be entitled to seek provisional injunctive relief in an appropriate forum prohibiting Executive from any violation or threatened violation of this Paragraph.

8. **Executive's Covenants of Non-Competition** Subject to the terms and conditions of this Agreement, which will result in a change in the terms and conditions of any ongoing employment at the time this Agreement is entered into:

a. Executive hereby promises and agrees that during the Term of this Agreement and for a period of one (1) year after the termination of this Agreement for any reason, or expiration of this Agreement, Executive will not directly for Executive or on behalf of any other individual, partnership, firm, corporation or other entity:

i. Within the "Restricted Area" (as defined below), engage in, own any interest in (other than less than ten percent (10%) of the outstanding shares of any publicly traded corporation), operate, control, or serve as a director of any business that is a casual dining burger restaurant or grill (the **"Covered Services"**);

ii. Within the Restricted Area, be employed in or engage in services competing with the Covered Services;

iii. Within the Restricted Area, influence or attempt to influence any of the customers of Company to divert its purchases of any of the Covered Services to any other individual, partnership, firm, corporation or other entity; or

iv. Within the Restricted Area, influence or attempt to influence any of the investors, or lenders, of Company to divert its capital investment or loans to any other individual, partnership, firm, corporation or other entity; or

v. Solicit any of the Executives or representatives of Company to work for any business, individual, partnership, firm, corporation or other entity; and

vi. Disparage Company or any of its products or services, or wrongfully interfere with, disrupt or attempt to disrupt the relationship, contractual or otherwise, between Company and any other party, including without limitation any supplier, distributor, lessor or lessee, licensor or licensee.

For purposes of this Agreement, the term **"Restricted Area"** shall mean any area that is within a five (5) mile radius of any of the concepts owned or managed by the Company.

Executive acknowledges that Company is doing business throughout the Restricted Area, and recognizes that the time limits, geographic scope, and the types and limitations of activities set forth hereinabove are reasonable and necessary to protect the legitimate interests of Company. It is the desire and intent of the parties that the provisions of this Section 8 be enforced to the fullest extent permitted under the laws and public policies of each jurisdiction in which enforcement is sought. If any court determines that any provision of this Section 8 is unenforceable because of the duration, activity restrained, or geographic scope of such provision, such court will have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable.

9. **Remedies for Breach.** Executive hereby acknowledges and agrees that a violation of any of the covenants set forth in Sections: 5,6,7,8,10 herein (the **"Covenants"**) would result in immediate and irreparable harm to Company, and that its remedies at law, including, without limitation, the award of money damages, would be inadequate relief for any such violation. Therefore, any violation or threatened violation by Executive of the Covenants will give Company the right to enforce such Covenants through specific performance, temporary restraining order, preliminary or permanent injunction, and other equitable relief. Such remedies will be cumulative and in addition to any other remedies that Company may have, at law or in equity.

10. **Return of Property.** Immediately upon the termination of Executive's employment with Company for any reason, or immediately upon request of Company, Executive will leave with or return to Company all personal property belonging to Company that is in Executive's possession or control as of the date of such termination of employment, including, without limitation, all records, papers, drawings, notebooks, specifications, marketing materials, software, reports, proposals, equipment, or any other device, document or possession, however obtained, whether or not such personal property contains Intellectual Property. All memoranda, files, client contracts, records, electronic media, business plans, financial statements, manuals, lists and other property delivered to or compiled by Employee by or on behalf of the Company, its representatives, or agents which pertain to the business of the Company shall be and remain the property of the Company, as the case may be, and be subject at all times to the Company's discretion and control. Likewise, all correspondence, reports, records, charts, marketing data, advertising materials and other similar data pertaining to the business, activities or future plans of the Company which are collected by Employee shall be delivered promptly to the Company upon request by the Company upon termination of Employee's employment and Employee shall not retain any copies of the same.

11. **Survival.** The provisions of Sections 5 through 20 will survive the termination of this Agreement, regardless of the manner or cause of such termination.

12. **Effect of Agreement.** This Agreement sets forth the final and complete Agreement of the parties with respect to the subject matter hereof. It will not be assigned and may not be modified, except by way of a writing executed by both parties. All the terms and provisions of this Agreement will be binding upon and inure to the benefit of and be enforceable by the parties hereto and their successors and assigns.

13. **Governing Law.** The provisions of this Agreement and any disputes arising hereunder will be governed by and construed in accordance with the laws of the State of North Carolina.

14. Notice. All notices and other communications hereunder will be in writing and may be given by personal delivery, express courier doing business throughout the United States, registered or certified mail (return receipt requested). Such notice will be deemed effective when received if it is given by personal delivery, express courier doing business throughout the United States, or facsimile, and will be effective three (3) days after mailing by registered or certified mail, so long as it is actually received within five (5) days (and, if not so received within five (5) days, is effective when actually received) by the parties at the following addresses (or at such other address for a party as will be specified by like notice):

If to Company:
Chanticleer Holdings, Inc
7621 Little Ave
Suite 414
Charlotte, NC 28226
Attn.: Michale D. Pruitt, CEO

If to Executive:
Patrick Harkleroad
318 Ridgewood Ave
Charlotte, NC 28209

15. Dispute Resolution.

a. Subject to Company's rights under Section 9, any controversy or claim arising out of or related to this Agreement that cannot be amicably resolved, including, without limitation, whether such controversy or claim is subject to arbitration, will be resolved by binding arbitration in accordance with the then-current rules and regulations of the American Arbitration Association, subject to Company's rights under Section 9.

b. Arbitration will take place within Charlotte, North Carolina, or any other location mutually agreeable to the parties involved in such dispute. The arbitrator(s) will be able to decree any and all relief of an equitable nature, including but not limited to such relief as a temporary restraining order, a temporary or a permanent injunction, and will also be able to award damages. The decree or judgment of an award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Except as the arbitrator(s) will otherwise decide is fair and reasonable, each party will bear its own attorneys' fees and expenses in connection with such proceeding and will bear one-half of the fees and expenses of the arbitrator(s) relating to such proceeding.

c. Executive waives any right to bring any claim against Company or any Affiliate as part of a class or collective action.

d. To the extent any claim or cause of action cannot, by operation of law, be submitted to arbitration as provided herein, Executive waives his right to trial by jury.

16. Confidentiality. Executive shall keep the terms and conditions of this Agreement confidential and shall not publicize or disclose the conditions, terms, or contents of this Agreement in any manner, whether in writing or orally, to any person, directly or indirectly, or by or through any agent, representative, attorney, or any other person unless compelled to do so by law or for public filings reasons. Notwithstanding the foregoing, the Executive may discuss this Agreement with his attorney and financial advisor as long as he informs them that the terms of this Agreement are confidential and direct that they maintain the same.

17. **Complete Integrated Agreement.** This Agreement and the Plan constitute the entire Agreement between the Company and Employee. Further, while Employee's compensation, including salary, bonus and Executive benefits may change from time to time upon mutual agreement between the Company and Executive, and without a written modification of this Agreement, neither the provisions of this Agreement concerning at-will employment (Section 4), nor any other provision of this Agreement, may be modified, altered, amended or changed except by in writing signed by Company and Executive.

18. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

19. **Severability**. If any provision of this Agreement is held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way and the parties agree to negotiate in good faith to replace such invalid, illegal and unenforceable provision with a valid, legal and enforceable provision that achieves, to the greatest lawful extent under this Agreement, the economic, business and other purposes of such invalid, illegal or unenforceable provision. A court of competent jurisdiction, if it determines any provision of this Agreement to be unreasonable in scope, time or geography, is hereby authorized by the Executive and the Company to enforce the same in such narrower scope, shorter time or lesser geography as such court determines to be reasonable and proper under all the circumstances.

20. **Voluntary Execution; Representations**. Executive acknowledges that (a) he or she has been represented by independent counsel of his or her own choosing concerning this Agreement and has been advised to do so by the Company, and (b) he or she has read and understands this Agreement, is competent and of sound mind to execute this Agreement, is fully aware of the legal effect of this Agreement and has entered into it freely based on his own judgment and without duress.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below, all being effective as of the Effective Date.

CHANTICLEER HOLDINGS, INC

By: _____
Name: _____
Title: _____
Date: _____

/s/ PATRICK HARKLEROAD
PATRICK HARKLEROAD
Date: _____

Exhibit A

Job Description and Areas of Responsibility.

The CFO will be responsible for the financial management and financial performance of the Company. Producing strategic metrics tied to each operating department, and the development and monitoring of control systems for each department designed to guide company growth, preserve Company assets and report accurate financial results. On a day-to-day basis, CFO will help drive organizational improvement and ensure profitable growth by utilizing operations knowledge, data analysis, judgment, leadership and organizational skills to make strategic recommendations to help Company achieve their goals.

The CFO will report to the President of the Company and will partner with other company leaders to guide the development and implementation of systems and protocols that will ensure the achievement of short-term, annual, and long-term brand goals of Company. The CFO will work closely with other members of the executive and management team to achieve revenue, cash flow and profitability growth targets.

Key Areas of Responsibility and Accountability:

- Provide guidance and leadership to finance organization with focus on continual improvement, positive change management, staff development and succession planning
- Ensure the organization has a highly competent team overseeing the functions of Finance, Analysis, Accounting, Information Technology, and Risk Management.
- Continue to improve the timeliness of financial and management reporting and the quality of business planning, budgeting and financial analysis for all departments; facilitate development of robust financial analytics and metrics
- Provide timely and accurate financial reporting, information and analysis necessary to drive the weekly, monthly, quarterly and annual financial performance of the Company (Annual Budgets, Weekly KPI, Monthly PRP, etc).
- Develop a reliable cash flow projection process and reporting mechanism that includes minimum cash threshold to meet operating needs
- Oversee the Company's and Affiliates' capital structure and balance sheet, and ensure the appropriate level of funding to support growth and changes in Company's business strategy
- Raise capital as necessary for future growth
- Oversee financial analysis and budgeting of business operations and new store development opportunities spearhead the interpretation of operating results and NSO capex budgets in relation to anticipated results
- Partner with Operations and Information Technology to improve business intelligence and work flow processes across the enterprise

- Partner with Risk Management to ensure Company maintains proper insurance protection for General Liability, Property, Epli, D&O) and other insurance policies required to protect Company from risks associated with its business.
- Partner with Human Resources to ensure compliance with labor laws (e.g., FLSA) and ERISA, including any and all requirements to maintain the ESOP in good standing.
- Partner with the President, Controller to facilitate “best practices” throughout the business through timely data dissemination, and enhanced financial tools
- Continue Development of finance department as a key business partner to the organization in all areas.
- Be a trusted and value-added advisor from the financial perspective on any contracts into which the corporation may enter.
- Maintenance of relations with external auditors, and the investigation of their findings and recommendations
- Ensure a high level of integrity of accounting policies, practices, procedures and initiatives.

Exhibit B

Bonus Parameters

Annual Bonus up to $25,0000: 50% merit based, 50% based on meeting performance goals in EBITDA/ EPS as determined by the Board of Directors.

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and effective as of November 16, 2018 (the "Effective Date") by and between Chanticleer Holdings, Inc., a Delaware corporation ("Chanticleer" or the "Company"), and Frederick L. Glick (the "Executive").

WHEREAS, Chanticleer and the Executive desire to enter into this Agreement to evidence the terms and conditions of the employment of the Executive by Chanticleer.

NOW, THEREFORE, intending to be legally bound and in consideration of the mutual provisions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1 Employment. Chanticleer hereby employs the Executive and the Executive hereby accepts such employment, in accordance with the terms and conditions set forth in this Agreement. By executing this Agreement, Executive represents and warrants to Chanticleer that (i) the Executive is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound; (ii) the Executive has not violated, and in connection with his employment with Chanticleer will not violate, any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer by which he is bound; and (iii) in connection with his employment with Chanticleer, the Executive will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer.

Section 2 Term. The Executive's employment with Chanticleer under this Agreement will commence on the Effective Date and continue until December 31, 2020 ("Initial Term"), automatically renewing thereafter for additional one-year renewal terms (each a "Renewal Term") until terminated in accordance with Section 6 below (Initial Term together with Renewal Terms, the "Term"); provided however, either party may give notice of non-renewal with no less than 60 days notice prior to the commencement of any renewal term. Executive's employment with the Company shall be on an "at-will" basis.

Section 3 Position. The Executive will be employed as the President of Chanticleer and will report to the Chief Executive Officer. The Executive will have the duties and responsibilities customarily attendant to the position of President. Executive will also have such other duties and responsibilities that are commensurate with his position as specifically delegated to him from time to time by the Chief Executive Officer. Executive shall be subject to the Bylaws, policies, practices, procedures and rules of the Company, currently existing and as may be modified from time to time, including those policies and procedures set forth in the Company's Code of Conduct and Ethics. Executive's principal place of employment shall be in Oceanside, California; provided that Executive may be required under business circumstances to travel outside the location of his principal employment in connection with performing his duties under this Agreement.

Section 4 Restrictive Covenants; Representations.

4.1 Loyal Performance. During the Executive's employment with Chanticleer, the Executive will devote his full business time and attention to the performance of his duties as President and will perform his duties and carry out his responsibilities as President in a diligent and businesslike manner. Nothing in this Section 4.1, however, will prevent the Executive from engaging in additional activities in connection with personal investments or from serving in a non-management capacity with any for profit or not for profit organization that does not conflict with his duties under this Agreement.

4.2 Confidentiality; Return of Property.

(a) Executive acknowledges that: (i) the Confidential Information (as hereinafter defined) is a valuable, special, and unique asset of the Company, the unauthorized disclosure or use of which could cause substantial injury and loss of profits and goodwill to the Company; (ii) Executive is in a position of trust and subject to a duty of loyalty to the Company, and (iii) by reason of his employment and service to the Company, Executive will have access to the Confidential Information. Executive, therefore, acknowledges that it is in the Company's legitimate business interest to restrict Executive's disclosure or use of Confidential Information for any purpose other than in connection with Executive's performance of Executive's duties for the Company, and to limit any potential misappropriation of such Confidential Information by Executive. Executive agrees to keep secret and to treat confidentially all of the Confidential Information (as defined below), and not to, without the express prior written consent of Chanticleer or in connection with the good faith performance of his duties to Chanticleer, directly or indirectly, (i) divulge, disclose or intentionally make accessible any Confidential Information to any other Person (as defined below) or assist any other Person or entity in improperly using any Confidential Information or (ii) use any Confidential Information for his own purposes or for the benefit of any other Person (except when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of Chanticleer, or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Executive to divulge, disclose or make accessible such Confidential Information; provided, however, that, in the event that the Executive is so required to disclose Confidential Information, the Executive shall, if legally permitted to do so, prior to making any such disclosure, provide Chanticleer with prompt written notice of such requirement so that Chanticleer may seek an appropriate protective order); provided, further, that, during the Employment Period, the Executive may utilize any Confidential Information in the course of performing his services under this Agreement. All Confidential Information is and shall remain the property of Chanticleer. For purposes of this Agreement, "Person" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, an estate, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

(b) For purposes of this Agreement, "Confidential Information" shall mean any and all proprietary information, trade secrets, know-how or other information of Chanticleer or concerning the affairs of Chanticleer (whether tangible or intangible and whether or not such information is in writing or other physical form), including, but not limited to, data, plans, concepts, programs, procedures, innovations, inventions, improvements, information regarding customers, financial information, costs, prices, earnings, systems, sources of supply, marketing, prospective and executed contracts, budgets, business plans and other business arrangements, information on the performance, identities, capabilities, performance strength and weaknesses, and compensation arrangements of particular managerial or technical employees of Chanticleer; provided, however, that Confidential Information will not include any information that (i) has been published in a form generally available to the public prior to the date Executive proposes to disclose or use such information (ii) was known to Executive or the public prior to its disclosure to Executive; (iii) becomes generally known to the public subsequent to disclosure to Executive through no wrongful act of Executive or any representative of Executive; or (iii) Executive is required to disclose by applicable law, regulation or legal process. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(c) Upon termination of the Executive's employment, the Executive shall promptly return to Chanticleer any car, cell phone, mobile device, laptop or other property provided to the Executive by Chanticleer, and any Confidential Information or proprietary information of Chanticleer that remains in the Executive's possession ("Chanticleer Property"); provided, however, that nothing in this Agreement or elsewhere shall prevent the Executive from retaining and utilizing documents and information relating to his personal benefits, entitlements and obligations, documents relating to his personal tax obligations. If the Executive discovers Chanticleer Property in his possession after the termination of his employment he shall notify Chanticleer and promptly either deliver the same to Chanticleer or destroy it as directed by Chanticleer.

4.3 Nonsolicitation. To the full extent permitted by law, the Executive will not directly or indirectly, individually or on behalf of any person, company, enterprise or entity, or as a sole proprietor, partner, stockholder, director, officer, principal, agent, executive, or in any other capacity or relationship, during his employment with Chanticleer and for a period of six (6) months thereafter unlawfully:

(a) solicit or in any manner attempt to solicit any person, firm, corporation, or other entity or organization which is a client, customer, account, vendor, supplier, distributor, licensee of, or has any business relationship with, Chanticleer or any of its subsidiaries to terminate such relationship with, reduce the amount of business conducted with, or change in a manner adverse to Chanticleer or its subsidiaries; or

(b) solicit or in any manner attempt to solicit any person employed by or providing services to Chanticleer or its subsidiaries to leave, curtail, or change in a manner adverse to Chanticleer, such employment or service relationship.

4.4 Cooperation. The Executive agrees that, following any termination of the Executive's employment, the Executive will continue to provide reasonable cooperation to Chanticleer and/or any of its subsidiaries and its or their respective counsel in connection with any investigation, administrative proceeding, or litigation relating to any matter that occurred during the Executive's employment in which the Executive was involved or of which the Executive has knowledge. As a condition of such cooperation, Chanticleer shall reimburse the Executive for reasonable out-of-pocket expenses incurred at the request of Chanticleer and shall compensate Executive at a daily rate equal to his daily rate of compensation at the time of termination of his employment. The Executive also agrees that, in the event that the Executive is subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony or provide documents (in a deposition, court proceeding, or otherwise) that in any way relates to the Executive's employment by Chanticleer, the Executive will, if legally permitted, give prompt notice of such request to Chanticleer and, unless legally required to do so, will make no disclosure until Chanticleer subsidiaries has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

4.5 Property; Inventions and Patents.

(a) Property. Executive agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos, products, equipment, and all similar or related information and materials (whether patentable or unpatentable) (collectively, "Inventions") which relate to Chanticleer actual or planned business, research and development, or existing or future products or services and which are conceived, developed, or made by Executive (whether or not during usual business hours and whether or not alone or in conjunction with any other person) while employed by Chanticleer (including those conceived, developed, or made prior to the date of this Agreement) together with all patent applications, letters patent, trademark, brands, tradename and service mark applications or registrations, copyrights, and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as, the "Work Product"), belong in all instances to Chanticleer. Executive will promptly disclose such Work Product to Chanticleer and perform all actions reasonably requested by Chanticleer (whether during or after the Term) to establish and confirm Chanticleer ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney, and other instruments) and to provide reasonable assistance to Chanticleer (whether during or after the Term) in connection with the prosecution of any applications for patents, trademarks, brands, trade names, service marks, or reissues thereof or in the prosecution or defense of interferences relating to any Work Product. Executive recognizes and agrees that the Work Product, to the extent copyrightable, constitutes works for hire under the copyright laws of the United States and that to the extent Work Product constitutes works for hire, the Work Product is the exclusive property of Chanticleer, and all right, title, and interest in the Work Product vests in Chanticleer. To the extent Work Product is not works for hire, the Work Product, and all of Executive's right, title, and interest in Work Product, including without limitation every priority right, is hereby assigned to the Company.

(b) Cooperation. Executive shall, during the Term and at any time thereafter, at the expense of Chanticleer and with no expense or potential expense or liability to the Executive, assist and cooperate with the Company in obtaining for the Company the grant of letters patent, copyrights, and any other intellectual property rights relating to the Work Product in the United States and/or such other countries as the Company may designate. With respect to Work Product, Executive shall, during the Term and at any time thereafter, at the expense of Chanticleer and with no expense or potential expense or liability to the Executive, execute all applications, statements, instruments of transfer, assignment, conveyance or confirmation, or other documents, furnish all such information to the Company and take all such other appropriate lawful actions as the Company requests that are necessary to establish Chanticleer ownership of such Work Product. Executive will not assert or make a claim of ownership of any Work Product, and Executive will not file any applications for patents or copyright or trademark registration relating to any Work Product, except on behalf of or as directed by Chanticleer.

(c) No Designation as Inventor; Waiver of Moral Rights. Executive agrees that the Company shall not be required to designate Executive as the inventor or author of any Work Product. Executive hereby irrevocably and unconditionally waives and releases, to the extent permitted by applicable law, all of Executive's rights to such designation and any rights concerning future modifications to any Work Product. To the extent permitted by applicable law, Executive hereby waives all claims to moral rights in and to any Work Product.

(d) Pre-Existing and Third Party Materials. Executive will not, in the course of employment with Chanticleer, incorporate into or in any way use in creating any Work Product any pre-existing invention, improvement, development, concept, discovery, works, or other proprietary right or information owned by Executive or in which Executive has an interest without Chanticleer prior written permission. Executive hereby grants the Company a nonexclusive, royalty-free, fully-paid, perpetual, irrevocable, sublicensable, worldwide license to make, have made, modify, use, sell, copy, and distribute, and to use or exploit in any way and in any medium, whether or not now known or existing, such item as part of or in connection with such Work Product. Executive will not incorporate any invention, improvement, development, concept, discovery, intellectual property, or other proprietary information owned by any party other than Executive into any Work Product without the Company's prior written permission.

(e) Attorney-in-Fact. Executive hereby irrevocably designates and appoints Chanticleer and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf to execute and file any such applications and to do all other lawfully permitted acts as contemplated by this Section 4 above to further the prosecution and issuance of patents, copyright, trademark, and mask work registrations with the same legal force and effect as if executed by Executive, if Chanticleer is unable because of Executive's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Executive's signature for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright or trademark registrations covering the Work Product owned by Chanticleer pursuant to this Section.

Section 5 Compensation.

5.1 Base Salary. The Executive will be paid a base salary at the initial rate of two hundred and fifty thousand dollars ($250,000.00) per year (the Base Salary"). Base Salary shall be subject to annual review for additional increase, but not decrease, in the sole discretion of the Board. The Base Salary will be payable in equal periodic installments in accordance with Chanticleer customary payroll practices.

5.2 Benefits. The Executive will be entitled to four weeks of paid vacation per calendar year in accordance with the Company's vacation and paid time off policy, inclusive of vacation days and sick days and excluding standard paid Company holidays, in the same manner as paid time off days for employees of the Company generally accrue; provided however, in no event shall Executive forfeit any accrued or unused vacation. Notwithstanding the foregoing, for calendar year 2018, Executive shall be entitled to one week of paid vacation. The Executive and his dependents will be entitled to participate in all medical insurance and other benefit programs in effect from time to time and available to senior executives of Chanticleer at levels commensurate with Executive's position as President and a member of the Board. The Company shall pay the cost of medical insurance benefits for Executive and his dependents.

5.3 Equipment. The Company shall provide Executive with a laptop computer for his use exclusively in providing services to the Company.

5.4 Automobile Allowance. The Company shall provide Executive with a monthly allowance for an automobile in the amount of $750.00.

5.5 Cell Phone Allowance. The Company shall provide Executive with a monthly allowance for a cell phone in the amount of $125.00.

5.6 Expenses. Executive shall be entitled to reimbursement for expenses incurred in connection with performance of services to Chanticleer, in accordance with Chanticleer expense reimbursement policies as in effect from time to time.

5.7 Signing Bonus. The Executive shall receive 10,000 restricted stock units pursuant to the Chanticleer Holdings Inc. 2014 Stock Incentive Plan ("Plan") that vest in full upon the Effective Date. The restricted stock units are subject to the terms of the Plan and award agreement.

5.8 Equity Awards. During the Initial Term, the Executive shall receive additional equity awards pursuant to the Plan consisting of (1) 20,000 restricted stock units (2) 10,000 5-year Incentive Stock Options with an exercise price of $3.50 and (3) 10,000 5-year Incentive Stock Options with an exercise price of $4.50 ((1), (2) and (3) referred to herein as the "Equity Awards"). The Equity Awards shall vest in eight quarterly installments on the first day of each fiscal quarter during Executive's continued employment with the Company commencing January 1, 2019 and are subject to the terms of the Plan. Each award further will be subject to its respective award agreement. Executive will be granted comparable Equity Awards annually during renewal periods of this Agreement, subject to the terms of the Plan and approval of the Company's Board of Directors and/or Compensation Committee.

Section 6 Termination of Employment.

6.1 Termination by Chanticleer. Chanticleer may terminate the Executive's employment with Chanticleer for Cause or without Cause. Termination by Chanticleer for Cause will be effective immediately on the day Chanticleer gives written notice of such termination to the Executive. For purposes of this Agreement, "Cause" means (i) a breach by Executive of his fiduciary duties to the Company; (ii) Executive's breach of this Agreement which is materially and demonstrably injurious to the Company, which, if curable, remains uncured or continues after 30 days' notice by the Company thereof; (iii) the commission of (A) any crime constituting a felony in the jurisdiction in which committed, (B) any crime involving moral turpitude (whether or not a felony), or (C) any other criminal act involving embezzlement, misappropriation of money, fraud, theft, or bribery (whether or not a felony); (iv) illegal or controlled substance abuse or insobriety by Executive that interferes with the performance of the Executive's duties to the Company; (v) Executive's material negligence or dereliction in the performance of, or failure to perform Executive's duties of employment with the Company which is materially and demonstrably injurious to the Company, provided such duties and services are within Executive's control, which remains uncured or continues after 30 days' written notice by the Company thereof or failure recurs following any such correction; or (vi) any conduct, action or behavior by Executive that is materially and demonstrably damaging to the Company, whether to the business interests, finance or reputation, which remains uncured or continues after 30 days' written notice by the Company thereof or failure recurs following any such correction or (vii) disqualifying event causing Company "bad actor" disqualification under Rule 506(d) of the Securities Act of 1933, as amended.

6.2 Termination by the Executive. The Executive may terminate his employment with Chanticleer for Good Reason or without Good Reason, by written notice to Chanticleer effective no earlier than 30 days after the date of such notice of termination is other than for Good Reason (provided that Chanticleer shall have the right to waive such 30-day notice period and accelerate termination to any date on or after the date of such notice) and effective upon the expiration of the cure period described below in this Section 6.2 if termination is for Good Reason. During any period between receipt of notice of termination from the Executive, Chanticleer may suspend, reduce, or otherwise modify any or all of Executive's authority, duties, and responsibilities, and may require the Executive's absence from Chanticleer offices without any such suspension, reduction, modification, or requirement constituting grounds for Good Reason. "Good Reason" means (i) a material diminution in Executive's authority, duties, position or responsibilities; (ii) a material reduction of Executive's Base Salary or other compensation; (iii) a relocation of Executive's principal office to a location more than fifty (50) miles from Executive's office location in Oceanside, California (excluding reasonable business travel required as part of Executive's duties); (iv)a material diminution in the budget over which Executive retains authority that, in effect, substantially and materially alters Executive's duties; (v) the failure of the Company or any successor to honor any material term of this Agreement; or (vi) the modification or termination of any bonus arrangement or agreement without Executive's written consent.

An event described in this Section 6.2 will not constitute Good Reason unless the Executive provides written notice to Chanticleer of the Executive's intention to resign for Good Reason and specifying the event or circumstance giving rise to Good Reason within 90 days of its initial existence and Chanticleer does not cure such breach or action within 30 days after the date of the Executive's notice and Executive actually terminates his employment within one hundred and eighty (180) calendar days after the expiration of the remedy period without remedy of the Good Reason by Chanticleer

6.3 Death and Disability. The Executive's employment under this Agreement will terminate upon the Executive's death. In addition, Chanticleer may terminate the Executive's employment with Chanticleer by written notice to the Executive due to Disability. For purposes of this Agreement, " Disability" means that the Executive has been unable, with or without reasonable accommodation and due to physical or mental incapacity, to substantially perform the essential functions of his duties for 180 days, whether consecutive or non-consecutive, within any calendar year.

6.4 Termination of Agreement. This Agreement will terminate when all obligations of the parties under this Agreement have been satisfied

6.5 Resignations. Upon any termination of the Executive's employment hereunder for any reason, except as may otherwise be requested by Chanticleer in writing, the Executive agrees that he will resign from any and all directorships, committee memberships and any officer positions that he holds with Chanticleer or any of its subsidiaries.

Section 7 Remuneration upon Termination of Employment.

7.1 Termination by Chanticleer without Cause, by the Executive for Good Reason, or by either party by notice of the expiration of the Initial Term of Agreement at the end of the Initial Term. If the Executive's employment with Chanticleer is terminated pursuant to Section 6.1 by Chanticleer without Cause, pursuant to Section 6.2 by the Executive for Good Reason, or by either party by notice of the expiration of the Initial Term of the Agreement at the end of the Initial Term, the Executive will be entitled to the following:

(a) the net amount representing base salary earned but unpaid as of the date of termination, after deduction of standard payroll taxes and deductions, and the net amount representing vacation earned but not taken prior to the termination date, after deduction of standard payroll taxes and deductions (the "Accrued Benefits");

(b) installment payments equal to the Executive's Base Salary in effect at the time of termination for a period of 12 months ("Severance Period") following the date of termination, before deduction of standard payroll taxes and deductions, to be paid in 24 equal increments bi-monthly starting on the first pay period following the date of termination, vested Equity Awards, and full acceleration of unvested Equity Awards (the "Severance Amount"). In addition, to the extent permitted by applicable law, subject to the Executive's election of COBRA continuation coverage under Chanticleer group health plan, on the first regularly scheduled payroll date of each month during the Severance Period, Chanticleer will pay the Executive an amount equal to the COBRA premium cost for Executive and its dependents; provided, that such payments shall cease earlier than the expiration of the Severance Period in the event that the Executive becomes eligible to receive any comparable health benefits, including through a spouse's employer, during the Severance Period (the "COBRA Payments"). Executive will notify Chanticleer of Executive's eligibility for health benefits during the Severance Period within 15 days of such eligibility; and

(c) any and all rights he may have as a holder of equity interests in Chanticleer or under any applicable plan, program, or arrangement of Chanticleer, including the vested Equity Awards and related payments.

7.2 Termination by Chanticleer for Cause, by the Executive without Good Reason. If the Executive's employment with Chanticleer is terminated any time for Cause, or by the Executive any time without Good Reason, the Executive will be entitled to the Accrued Benefits and any and all rights he may have as a holder of equity interests in Chanticleer (including, without limitation, the vested Equity Awards) or under any applicable plan, program, or arrangement of Chanticleer.

7.3 Termination as a Result of Death or Disability. In the event of the termination of the Executive's employment with Chanticleer pursuant to Section 6.3 as a result of death or Disability, the Executive or the Executive's heirs will be entitled to the Accrued Benefits, the Severance Amount, the COBRA Payments and any and all rights Executive may have as a holder of equity interests in Chanticleer.

7.4 Termination by Notice Not to Renew Renewal Term. In the event the Agreement is terminated after any Renewal Term by either party as provided in Section 2, Executive will be entitled to the Accrued Benefits, the Severance Amount, the COBRA Payment and any and all rights Executive may have as a holder of equity interests in Chanticleer; provided however, in the event Executive commences employment or a consulting position with a third party prior to the end of the Severance Period, Executive will notify Chanticleer of his start date, amount of his new salary and/ or fees payable pursuant to any consulting engagement. The amount of Executive's new salary (before deduction of standard payroll taxes and after deduction of costs incurred by Executive) and/ or fees paid pursuant to a consulting engagement received during the Severance Period (after deduction of costs incurred by Executive) will be deducted from Executive's Severance Amount on the same periodic basis as payment by the new company/ employer. Notwithstanding the foregoing, Executive shall be entitled to a minimum of 45 days' severance payment in the event of termination by notice not to renew.

7.5 Termination as a result of Change of Control. If Executive is terminated or resigns within 12 months of a Change of Control, the Executive will be entitled to the Accrued Benefits, the Severance Amount, the COBRA Payments and any and all rights Executive may have as a holder of equity interests in Chanticleer.

"Change in Control" as used herein means any (i) any individual, entity or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1933) (a "Person") acquires beneficial ownership, directly or indirectly (within the meaning of Rule 13d-3 promulgated under the Exchange Act) (a "Beneficial Owner"), of more than fifty percent of the combined voting power of the then issued and outstanding shares of the voting common stock of the Company (the "Voting Stock"), (ii) the occurrence of a merger, consolidation, reorganization, share exchange or similar corporate transaction, whether or not the Company is the surviving corporation, other than a transaction which would result in the Voting Stock outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent of the voting stock of the Company or such surviving entity immediately after such transaction, or (iii) the sale, transfer or disposition of all or substantially all of the business and assets of the Company to any Person.

7.6 Release. The payment of the Severance Amount and the COBRA Payments shall be conditioned upon the Executive's (or, if applicable the Executive's estate's or legal representative's) execution, delivery to Chanticleer, and non-revocation of a release of claims (the "Release of Claims") in substantially the form attached to this Agreement as Exhibit A within 30 days following the date of the Executive's termination of employment hereunder. Further, to the extent that any portion of the Severance Amount or COBRA Payments constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code (as defined below), any payment of any amount otherwise scheduled to occur prior to the thirtieth (30th) day following the date of the Executive's termination of employment hereunder, but for the condition on executing the Release of Claims as set forth herein, shall not be made until the first regularly scheduled payroll date following such thirtieth (30th) day, after which any remaining installment of the Severance Amount or the COBRA Payments, as applicable, shall thereafter be provided to Executive according to the applicable schedule set forth herein. With respect to any portion of the Severance Amount or COBRA Payments that does not constitute "nonqualified deferred compensation" for purposes of Section 409A of the Code (as defined below), any payment of any amount otherwise scheduled to occur following the date of the Executive's termination of employment hereunder, but for the condition on executing the Release of Claims as set forth herein, shall not be made until the first regularly scheduled payroll date following the date such Release of Claims is timely executed and the applicable revocation period has ended, after which the entire Severance Amount and any unpaid installments of the COBRA Payments, as applicable, shall thereafter be provided to Executive according to the applicable schedule set forth herein. Each payment of the Severance Amount or COBRA Payments shall be deemed to be a separate payment for purposes of Section 409A of the Code.

Section 8 General Provisions.

8.1 Notices. All notices and other communications under this Agreement must be in writing and are deemed duly delivered when (a) delivered if delivered personally or by recognized overnight courier service (costs prepaid), (b) sent by facsimile with confirmation of transmission by the transmitting equipment (or, the first business day following such transmission if the date of transmission is not a business day) (c) sent by electronic mail with receipt acknowledged by the recipient via email reply, or (d) received or rejected by the addressee, if sent by certified or registered mail, return receipt requested; in each case to the following addresses or facsimile numbers and marked to the attention of the individual (by name or title) designated below (or to such other address, facsimile number or individual as a party may designate by notice to the other parties in writing):

If to the Executive:
Frederick L. Glick
2320 Littler Lane
Oceanside, CA 92056
Facsimile:_____

If to Chanticleer:
Attention Michel D. Pruitt
Chanticleer Holdings, Inc.
7621 Little Avenue, Suite 414
Charlotte, North Carolina 28226
Facsimile: 704-366-2463

8.2 Amendment. This Agreement may not be amended, supplemented or otherwise modified except in a writing signed by the Executive and a director or authorized officer of Chanticleer (other than the Executive).

8.3 Waiver and Remedies. The Executive and Chanticleer may (a) extend the time for performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any certificate, instrument or document delivered pursuant to this Agreement or (c) waive compliance with any of the covenants, agreements or conditions for the benefit of such party contained in this Agreement. Any such extension or waiver will be valid only if set forth in a written document signed on behalf of the party against whom the waiver or extension is to be effective. No extension or waiver will apply to any time for performance, inaccuracy in any representation or warranty, or noncompliance with any covenant, agreement or condition, as the case may be, other than that which is specified in the written extension or waiver. No failure or delay by a party in exercising any right or remedy under this Agreement or any of the documents delivered pursuant to this Agreement, and no course of dealing between the parties, operates as a waiver of such right or remedy, and no single or partial exercise of any such right or remedy precludes any other or further exercise of such right or remedy or the exercise of any other right or remedy. Any enumeration of a party's rights and remedies in this Agreement is not intended to be exclusive, and a party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity. Because Executive's services are special, unique, and extraordinary and because Executive has access to Confidential Information and Work Product, the parties hereto agree that money damages may be an inadequate remedy for any breach of Section 4 of this Agreement. Therefore, in the event of a breach or threatened breach of Section 4 of this Agreement, the Company, or any of its successors or assigns may, in addition to other rights and remedies existing in their favor at law or in equity, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security).

8.4 Entire Agreement. This Agreement constitutes the entire agreement between the Executive and Chanticleer with respect to its subject matter and supersedes any prior understandings, agreements or representations between the parties, written or oral, with respect to the subject matter of this Agreement. In the event of any conflict between the terms of this Agreement and the terms of any equity or compensation plan, grant agreement, award agreement, deferred compensation agreement or arrangement, or any other plan, program, policy, agreement or document, Executive shall receive such compensation, benefits or remuneration which in Executive's sole discretion is more favorable to Executive.

8.5 Assignment and Successors. This Agreement binds and benefits the parties and their respective heirs, executors, administrators, successors and assigns, except that the Executive may not assign any rights under this Agreement without the prior written consent of Chanticleer and Chanticleer may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Executive except in the case of an assignment of this Agreement to a successor to all or substantially all of the business and assets of Chanticleer and its subsidiaries or any business division thereof or a restructuring of Chanticleer. The Executive's obligations under this Agreement are personal to the Executive and may not be delegated.

8.6 Severability. If any provision of this Agreement is held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way and the parties agree to negotiate in good faith to replace such invalid, illegal and unenforceable provision with a valid, legal and enforceable provision that achieves, to the greatest lawful extent under this Agreement, the economic, business and other purposes of such invalid, illegal or unenforceable provision. A court of competent jurisdiction, if it determines any provision of this Agreement to be unreasonable in scope, time or geography, is hereby authorized by the Executive and Chanticleer to enforce the same in such narrower scope, shorter time or lesser geography as such court determines to be reasonable and proper under all the circumstances.

8.7 Governing Law; Jurisdiction. The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the North Carolina without giving effect to any choice of law rules or other conflicting provision or rule that would cause the laws of any jurisdiction to be applied. Each party agrees and submits to the exclusive jurisdiction of the state and federal courts sitting in Mecklenberg County, North Carolina, in any action or proceeding arising out of or relating to this Agreement and agree that all claims in respect of the action or proceeding may be heard and determined in any such court; provided however, the Company will pay Executive's travel costs incurred as a result of any action or proceeding arising out of or relating to this Agreement. Each party further agrees that personal jurisdiction over it may be effected by service of process by registered or certified mail addressed as provided in Section 8.1 and that when so made shall be as if served upon it personally.

8.8 Drafting Presumption. In the event of any ambiguity or dispute regarding the definition or meaning of any word, phrase, or other verbiage, or the construction of any provision in this Agreement, there shall be no presumption favoring the definition, meaning or construction propounded by a particular party based upon which party (or which party's attorney) drafted the word, verbiage or provision at issue, and same will be deemed mutually drafted.

8.9 Survival. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations and to the extent that any performance is required following termination or expiration of this Agreement.

8.10 Withholding. All amounts paid pursuant to this Agreement shall be subject to withholding for taxes (federal, state, local, non-U.S. or otherwise) to the extent required by applicable law.

8.11 Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original as against the party that signed it, and all of which together constitute one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to the other party. The signatures of all parties need not appear on the same counterpart. The delivery of signed counterparts by facsimile or email transmission that includes a copy of the sending party's signature is as effective as signing and delivering the counterpart in person.

8.12 Code Section 409A Compliance; Parachute Payments.

(a) Notwithstanding anything herein to the contrary, this Agreement is intended to be interpreted and applied so that the payment of the benefits set forth herein shall either be exempt from, or in the alternative, comply with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the published guidance thereunder ("Section 409A"). A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "nonqualified deferred compensation" under Section 409A unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "Termination Date," or like terms shall mean "separation from service." Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" within the meaning of Section 409A, any payments or arrangements due upon a termination of Executive's employment under any arrangement that constitutes a "nonqualified deferral of compensation" within the meaning of Section 409A and which do not otherwise qualify under the exemptions under Treas. Regs. Section 1.409A-1 (including without limitation, the short-term deferral exemption or the permitted payments under Treas. Regs. Section 1.409A-1(b)(9)(iii)(A)), shall be delayed and paid or provided on the earlier of (a) the date which is six months after Executive's "separation from service" for any reason other than death, or (b) the date of Executive's death. This Agreement may be amended without requiring Executive's consent to the extent necessary (including retroactively) by the Company in order to preserve compliance with Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Executive's compensation and benefits and the Company does not guarantee that any compensation or benefits provided under this Agreement will satisfy the provisions of Section 409A. After any Termination Date, Executive shall have no duties or responsibilities that are inconsistent with having a "separation from service" within the meaning of Section 409A as of the Termination Date and, notwithstanding anything in the Agreement to the contrary, distributions upon termination of employment of nonqualified deferred compensation may only be made upon a "separation from service" as determined under Section 409A and such date shall be the Termination Date for purposes of this Agreement. Each payment under this Agreement or otherwise shall be treated as a separate payment for purposes of Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement which constitutes a "nonqualified deferral of compensation" within the meaning of Section 409A and to the extent an amount is payable within a time period, the time during which such amount is paid shall be in the discretion of the Company.

(b) All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A. To the extent that any reimbursements are taxable to Executive, such reimbursements shall be paid to Executive on or before the last day of Executive's taxable year following the taxable year in which the related expense was incurred. Reimbursements shall not be subject to liquidation or exchange for another benefit and the amount of such reimbursements that Executive receives in one taxable year shall not affect the amount of such reimbursements that Executive receives in any other taxable year.

(c) Section 280G. Notwithstanding any other provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code and would, but for this Section 8.12(c) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Executive of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to the Executive if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under (i) above is less than the amount under (ii) above will the Covered Payments be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax (that amount, the "Reduced Amount"). "Net Benefit" shall mean the present value of the Covered Payments net of all federal, state, local, foreign income, employment and excise taxes. Any such reduction shall be made in accordance with Section 409A of the Code and the Covered Payments shall be reduced in a manner that maximizes the Executive's economic position. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. Any determination required under this Section 8.12(c), including whether any payments or benefits are parachute payments, shall be made by the Company in its sole discretion. The Executive shall provide the Company with such information and documents as the Company may reasonably request in order to make a determination under this Section 8.12(c). The Company's determination shall be final and binding on the Executive.

8.13 Voluntary Execution; Representations. Executive acknowledges that (a) he or she has been represented by independent counsel of his or her own choosing concerning this Agreement and has been advised to do so by the Company, and (b) he or she has read and understands this Agreement, is competent and of sound mind to execute this Agreement, is fully aware of the legal effect of this Agreement, and has entered into it freely based on his or her own judgment and without duress.

8.14 Indemnification; D&O Insurance; Legal Fees and Expenses. The Company and Executive will enter into the Indemnification Agreement attached hereto as Exhibit B. Furthermore, the Company shall provide and pay for D&O insurance in the amount of no less than $5,000,000 per claim arising out of or related to Executive's position with the Company as an officer. In the event either party hereto institutes any legal proceeding for the enforcement or interpretation of this Agreement or because of any alleged dispute, breach, default or misrepresentation in connection with or arising out of the provisions of this Agreement, the prevailing party shall be entitled to receive such party's reasonable attorneys' fees and costs incurred in such proceeding in addition to any other relief to which such party may be entitled.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CHANTICLEER HOLDINGS, INC.

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

Date: _____, 2018

/s/ Frederick L. Glick
Frederick L. Glick Date: _____, 2018

[Signature page to Employment Agreement]

Exhibit A

RELEASE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, Frederick L. Glick ("Executive"), on behalf of himself and his heirs, legal representatives, administrators, executors, successors and assigns, and each of them, for good and valuable consideration received as set forth in the Employment Agreement dated as of _____, 2018 (the "Employment Agreement") between Chanticleer, Inc., a Delaware corporation (the "Company"), does hereby unconditionally, knowingly, and voluntarily release and forever discharge the Company, and its present and former related companies, subsidiaries and affiliates, and all of their present and former executives, officers, managers, directors, owners, members, shareholders, partners, employees, agents, and attorneys, including in their individual capacity, and each of its and their successors and assigns (hereinafter collectively the "Released Parties"), from any and all known or unknown claims, demands, actions or causes of action that now exist or may arise in the future, based upon events occurring or omissions on or before the date of the execution of this Release, including, but not limited to any and all claims whatsoever pertaining in any way to Executive's employment at the Company or with any of the Released Parties or the termination of Executive's employment, including, but not limited to, any claims under: (1) the Americans with Disabilities Act; the Family and Medical Leave Act; Title VII of the Civil Rights Act; 42 U.S.C. Section 1981; the Older Workers Benefit Protection Act; the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"); the Employee Retirement Income Security Act of 1974; the Civil Rights Act of 1866, 1871, 1964, and 1991; the Rehabilitation Act of 1973; the Equal Pay Act of 1963; the Vietnam Veteran's Readjustment Assistance Act of 1974; the Occupational Safety and Health Act; and the Immigration Reform and Control Act of 1986; and any and all other federal, state, local or foreign laws, statutes, ordinances, or regulations pertaining to employment, discrimination or pay; (2) any state tort law theories under which an action could have been brought, including, but not limited to, claims of negligence, negligent supervision, training and retention or defamation; (3) any claims of alleged fraud and/or inducement, or alleged inducement to enter into this Release; (4) any and all other tort claims; (5) all claims for attorneys' fees and costs; (6) all claims for physical, mental, emotional, and/or pecuniary injuries, losses and damages of every kind, including but not limited to earnings, punitive, liquidated and compensatory damages, and employee benefits; (7) any and all claims whatsoever arising under any of the Released Parties' express or implied contract or under any federal, state, local, or foreign law, ordinance, or regulation, or the Constitution of any State or the United States; (8) any and all claims whatsoever against any of the Released Parties for wages, bonuses, benefits, fringe benefits, vacation pay, or other compensation or for any damages, fees, costs, or benefits, in each case, except to the extent Executive has vested rights in any of the same; and (9) any and all claims whatsoever to reinstatement (collectively, the "Released Claims"); provided, however, that, notwithstanding anything to the contrary contained herein, this Release shall not cover and the Released Claims shall extend to any rights or claims, if any, of Executive (A) as a holder of equity interests in the Company, (B) to indemnification or advancement of expenses, (C) under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, (D) under any profit-sharing and/or retirement plans or benefits in which Executive has vested rights, or (E) under Sections 7 and 8.14 of the Employment Agreement. Executive also intends that this Release operate as a general release of any and all claims to the fullest extent permitted by law and a waiver of all unknown claims of the type being released hereunder.

Section 1542 of the Civil Code of the State of California states:

"**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**"

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all Releasees with respect to claims in California and ***all other jurisdictions***, Executive expressly acknowledges that this is intended to include not only claims that are known, anticipated, or disclosed, but also claims that are unknown, unanticipated, and undisclosed.

Executive acknowledges that the Severance Amount and the COBRA Payments are in addition to anything of value to which Employee already is entitled from the Company and constitutes good and valuable consideration for this Release.

Executive represents and warrants that he has not previously filed, and to the maximum extent permitted by law agrees that he will not file, a complaint, charge, or lawsuit against any member of the Released Parties regarding any of the claims released herein. If, notwithstanding this representation and warranty, the Executive has filed or files such a complaint, charge, or lawsuit, he agrees that he shall cause such complaint, charge, or lawsuit to be dismissed with prejudice and shall pay any and all costs required in obtaining dismissal of such complaint, charge, or lawsuit, including without limitation the attorneys' fees of any member of the Released Parties against whom he has filed such a complaint, charge, or lawsuit. This paragraph shall not apply, however, to a claim of age discrimination under the ADEA or to any non-waivable right to file a charge with the United States Equal Employment Opportunity Commission (the "EEOC"); *provided*, *however*, that if the EEOC were to pursue any claims relating to the Executive's employment with Company, the Executive agrees that he shall not be entitled to recover any monetary damages or any other remedies or benefits as a result and that this Release and Sections 7 of the Employment Agreement will control as the exclusive remedy and full settlement of all such claims by the Executive.

Executive agrees not to make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Released Parties; the products, services or programs provided or to be provided by the Released Parties; the business affairs or the financial condition of the Released Parties; or the circumstances surrounding Executive's employment and/or termination of employment from Company. Company agrees to cause its executive and senior management teams not to take any action, or encourage others to take any action, to disparage or criticize Executive.

Executive acknowledges that he has been given the opportunity to review and consider this Release for twenty-one (21) days from the date he received a copy. If he elects to sign before the expiration of the twenty-one (21) days, Executive acknowledges that he will have chosen, of his own free will without any duress, to waive his right to the full twenty-one (21) day period.

Executive may revoke this Release after signing it by giving written notice to the Company's Board of Directors, within seven (7) days after signing it (the "Revocation Period"). This Release, provided it is not revoked, will be effective on the eighth (8th) day after execution. The Executive acknowledges and agrees that if he revokes this Release during the Revocation Period, this Release will be null and void and of no effect, and neither the Company nor any other Released Party will have any obligations to pay the Executive the amounts under Section 7 of the Employment Agreement.

Executive acknowledges that he has consulted with an attorney prior to signing this Release and that he has no knowledge of any facts or circumstances that give rise or could give rise to any claims under any of the laws listed in this Release.

Executive is signing this Release knowingly, voluntarily and with full understanding of its terms and effects. Executive is signing this Release of his own free will without any duress, being fully informed and after due deliberation. Executive voluntarily accepts the consideration provided to him for the purpose of making full and final settlement of all claims referred to above. This Release shall be governed by and construed in accordance with the laws of the State of North Carolina.

IN WITNESS WHEREOF, Executive has duly executed this Release effective as of _____, 20__.

/s/ Frederick L. Glick

Frederick L. Glick

Exhibit B

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "Agreement") is entered between Chanticleer Holdings, Inc., a Delaware corporation (the "Company"), and the undersigned, a director, officer, or both, of the Company and/or one or more of its subsidiaries ("Indemnitee").

RECITALS

A. The Company recognizes the importance, and increasing difficulty, of obtaining adequate liability insurance coverage for its directors, officers, employees, agents and fiduciaries.

B. The Company further recognizes that, at the same time as the availability and coverage of such insurance has become more limited, litigation against corporate directors, officers, employees, agents and fiduciaries has continued to increase.

C. The Company desires to retain and attract the services of highly qualified individuals, such as Indemnitee, to serve the Company and, in that connection, also desires to provide contractually for indemnification of, and advancement of expenses to, Indemnitee to the full extent authorized by law.

For good and valuable consideration, the parties agree to the terms set forth below.

AGREEMENT

1. Indemnification.

(a) **Scope.** The Company agrees to hold harmless and indemnify Indemnitee against any Damages (as defined in Section 1(c)) incurred by Indemnitee with respect to any Proceeding (as defined in Section 1(d)) to which Indemnitee is or is threatened to be made a party or in which Indemnitee is otherwise involved (including, but not limited to, as a witness), to the full extent authorized by law except that Indemnitee shall have no right to indemnification on account of:

(i) acts or omissions of Indemnitee that have been finally adjudged (by a court having proper jurisdiction, and after all rights of appeal have been exhausted or lapsed, herein "Finally Adjudged") to be intentional misconduct or a knowing violation of law;

(ii) any transaction with respect to which it has been Finally Adjudged that Indemnitee personally received a benefit in money, property or services to which Indemnitee was not legally entitled; or

(iii) any suit in which it is Finally Adjudged that Indemnitee is liable for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Company in violation of the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto.

(b) **Changes to Indemnification Right.** Indemnitee's right to be indemnified to the full extent authorized by law shall include the benefits of any change, after the date of this Agreement, in the Section 145 of the Delaware General Corporation Law ("Statute") or other applicable law regarding the right of a Delaware corporation to indemnify directors or officers, to the extent that it would expand Indemnitee's rights hereunder. Any such change that would narrow or interfere with Indemnitee's rights hereunder shall not apply to, limit, or affect the interpretation of, this Agreement, unless and then only to the extent that it has been Finally Adjudged that its application hereto does not constitute an unconstitutional impairment of Indemnitee's contract rights or otherwise violate applicable law. In the event the Company grants indemnification rights to any other officer or director that are more favorable to the rights granted to Indemnitee hereunder, the Indemnitee will automatically, and without any further action, be entitled to substantially the same benefits set forth in such agreement with such other officer or director.

(c) **Indemnified Amounts.** If Indemnitee is or is threatened to be made a party to, or is otherwise involved (including, but not limited to, as a witness) in, any Proceeding, the Company shall hold harmless and indemnify Indemnitee from and against any and all losses, claims, damages, costs, expenses and liabilities incurred in connection with investigating, defending, being a witness in, participating in or otherwise being involved in (including on appeal), or preparing to defend, be a witness in, participate in or otherwise be involved in (including on appeal), such Proceeding, including but not limited to attorney's fees, judgments, fines, penalties, ERISA excise taxes, amounts paid in settlement, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments pursuant to this Agreement, and other expenses (collectively, "Damages"), including all interest, assessments or charges paid or payable in connection with or in respect of such Damages.

(d) **Definition of Proceeding.** For purposes of this Agreement, "Proceeding" shall mean any actual, pending, threatened or completed action, suit, claim, investigation, hearing or proceeding (whether civil, criminal, administrative or investigative, and whether formal or informal) in which Indemnitee is, has been, or becomes involved, or regarding which Indemnitee is threatened to be made a named defendant or respondent, based in whole or in part on or arising out of the fact that Indemnitee is or was a director, officer, member of a board committee, employee or agent of the Company and/or any of its subsidiaries or that, being or having been such a director, officer, member of a board committee, employee or agent, Indemnitee is or was serving at the request of the Company as a director, officer, partner, employee, trustee or agent of another corporation or of a foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise (each, a "Related Company"), whether the basis of such action, suit, claim, investigation, hearing or proceeding is alleged action or omission by Indemnitee in an official capacity as a director, officer, committee member, partner, employee, trustee or agent or in any other capacity while serving as a director, officer, committee member, partner, employee, trustee or agent. "Proceeding" shall not, however, include any action, suit, claim, investigation, hearing or proceeding instituted by or at the direction of Indemnitee unless pursuant to an Enforcement Action (as defined in Section 3(a)) or its institution has been authorized by the Company's Board of Directors (the "Board").

(e) **Notifications**.

(i) Promptly after receipt by Indemnitee of notice of the commencement (including a threatened assertion or commencement) of any Proceeding, Indemnitee will, if it is reasonably foreseeable that a claim in respect thereof will be made against the Company under this Agreement, notify the Chair of the Board's Audit Committee of the commencement thereof (the "Indemnification Notice"). A failure to notify the Company in accordance with this subsection (e)(i) will not, however, relieve the Company from any liability to Indemnitee under this Agreement unless (and then only to the extent that) such failure is Finally Adjudged to have materially prejudiced the Company's ability to defend the Proceeding.

(ii) At the same time, or from time to time thereafter, Indemnitee may further notify the Chair of the Board's Audit Committee, by delivery of a supplemental Indemnification Notice (or by checking the second box and providing the corresponding information on the initial Indemnification Notice), of any Proceeding for which indemnification is being sought under this Agreement.

(f) **Determination of Entitlement**.

(i) To the extent Indemnitee has been wholly successful, on the merits or otherwise, in the defense of any Proceeding, the Company shall indemnify Indemnitee against all expenses incurred by Indemnitee in connection with the Proceeding, within ten (10) days after receipt of an Indemnification Notice delivered pursuant to subsection (e)(ii).

(ii) In the event that subsection (f)(i) above is inapplicable, or does not apply to the entire Proceeding, the Company shall indemnify Indemnitee within thirty (30) days after receipt of an Indemnification Notice delivered pursuant to subsection (e)(ii) unless during such thirty (30) day period the Audit Committee of the Board delivers to Indemnitee a written notice contesting Indemnitee's indemnification claim (the "Contest Notice"), which Contest Notice shall state with particularity the reasons for the decision to challenge Indemnitee's indemnification claim and the evidence the Company would present in any forum in which Indemnitee might seek review of such decision. The Company's failure to deliver a Contest Notice within thirty (30) days after the Company's receipt of an Indemnification Notice pursuant to subsection (e)(ii) shall obligate the Company unconditionally to indemnify Indemnitee to the extent requested in the Indemnification Notice.

(iii) At any time following receipt of a Contest Notice, Indemnitee shall be entitled to select a forum for the review of, and in which the Company will defend, the Contest Notice and the Company's decision to challenge Indemnitee's indemnification claim. Such selection shall be made from among the following alternatives, by delivering a written notice to the Chair of the Board's Audit Committee indicating Indemnitee's selection of forum:

(a) A quorum of the Board consisting of directors who are not parties to the Proceeding for which indemnification is being sought;

(b) Special Legal Counsel (as defined in subsection (f)(vii) below); or

(c) A panel of three independent arbitrators, one of whom is selected by the Company, another of whom is selected by Indemnitee and the last of whom is selected by the first two arbitrators so selected,

provided, that nothing in this Section 1(f) shall prevent Indemnitee at any time from bringing suit against the Company to recover the amount of the indemnification claim (whether or not Indemnitee has otherwise exhausted its contractual remedies hereunder). In addition, any determination by a forum selected by Indemnitee that Indemnitee is not entitled to indemnification, or any failure to make the payments requested in the Indemnification Notice, shall be subject to judicial review by any court of competent jurisdiction, as described in Section 3.

(iv) In any forum in which the Company defends its Contest Notice and its decision to challenge Indemnitee's indemnification claim under this Section 1(f), the presumptions, burdens and standard of review set forth in Section 3(c) shall apply and are incorporated into this Section 1(f) by reference, except as otherwise expressly provided in Section 3(c).

(v) As soon as practicable, and in no event later than fifteen (15) days after the forum has been selected pursuant to subsection (f)(iii) above, the Company shall, at its own expense, submit the defense of its Contest Notice and the question of Indemnitee's right to indemnification to the selected forum.

(vi) The forum selected shall render its decision concerning the validity of the Contest Notice and the Company's decision to deny Indemnitee's indemnification claim within thirty (30) days after the forum has been selected in accordance with subsection (f)(iii).

(vii) For the purposes of this Agreement, "Special Legal Counsel" shall mean an attorney or firm of attorneys, selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld), who must not have performed other services for the Company or Indemnitee within the last three years.

2. Expense Advances.

(a) **Generally.** The right to indemnification conferred by Section 1 shall include the right to have the Company pay Indemnitee's attorney's fees and other expenses, including but not limited to out of pocket costs and disbursements, incurred in connection with any Proceeding, or in connection with bringing, defending and/or pursuing an Enforcement Action (as defined in Section 3(a)), as such expenses are incurred and in advance of the final disposition of such Proceeding or Enforcement Action (such entitlement is referred to hereinafter as an "Expense Advance").

(b) **Undertaking.** The Company's obligation to provide an Expense Advance is subject only to the following condition: if the Proceeding arose in connection with Indemnitee's service as a director and/or officer of the Company or member of a committee of the Board (and not in any other capacity in which Indemnitee rendered service, including but not limited to service to any Related Company), then Indemnitee or his or her representative must have executed and delivered to the Chair of the Board's Audit Committee an undertaking (the "Statement of Undertaking") to repay all Expense Advances if and to the extent that it may be Finally Adjudged that Indemnitee is not entitled to be indemnified for such Expense Advance under one or more of clauses (i) through (iv) of the first sentence of Section 1(a). The Statement of Undertaking need not be secured and shall be accepted by the Company without reference to Indemnitee's financial ability to make repayment. No interest shall be charged on any obligation to reimburse the Company for any Expense Advance.

(c) **Service as Witness.** Notwithstanding any other provision of this Agreement, the Company's obligation to indemnify, or provide Expense Advances under Section 2, to Indemnitee in connection with Indemnitee's appearance as a witness in a Proceeding at a time when Indemnitee has not been made a named defendant or respondent to the Proceeding shall be absolute and unconditional, and not subject to any of the limitations on, or conditions to, Indemnitee's right to indemnification or to receive an Expense Advance otherwise contained in this Agreement.

3. Procedures for Enforcement.

(a) **Enforcement.** If a claim for indemnification made by Indemnitee hereunder is not paid in full (whether or not the provisions of Section 1(f) have been complied with, or completed), or a claim for an Expense Advance made by Indemnitee hereunder is not paid in full within twenty (20) days from delivery of a Statement of Undertaking to the Chair of the Board's Audit Committee, Indemnitee may, but need not, at any time thereafter bring suit against the Company to recover the unpaid amount of the claim (an "Enforcement Action").

(b) **Required Indemnification.** The court hearing the Enforcement Action shall order the Company to provide indemnification or to advance expenses to Indemnitee to the full extent sought in the Enforcement Action if it determines that (i) the Enforcement Action is brought by Indemnitee to enforce the Company's obligation under Section 1(f)(ii) unconditionally to indemnify Indemnitee to the extent requested in the Indemnification Notice where the Company has failed timely to deliver a Contest Notice, (ii) the Company failed to prove by clear and convincing evidence that Indemnitee is not entitled to indemnification based on one or more of clauses (i) through (iv) of the first sentence of Section 1(a), or (iii) Section 2(c) applies.

(c) **Presumptions, Burdens and Standard of Review in Enforcement Action or Company Determination.** In any Enforcement Action (and, except as otherwise expressly provided in this Section 3(c), in any review of a Contest Notice by a forum described in Section 1(f)) the following presumptions (and limitations on presumptions), burdens and standard of review shall apply:

(i) The Company shall conclusively be presumed to have entered into this Agreement and assumed the obligations imposed hereunder in order to induce Indemnitee to serve or to continue to serve as an director and/or officer of the Company and/or one or more of its subsidiaries;

(ii) This Agreement shall conclusively be presumed to be valid and Article 5 of the Certificate shall conclusively be presumed to be effective to waive all of the applicable limitations in the Statute regarding indemnification;

(iii) Submission of an Indemnification Notice in accordance with Section 1(e)(ii) or a Statement of Undertaking to the Company shall create a presumption that Indemnitee is entitled to indemnification or an Expense Advance hereunder, and thereafter the Company shall have the burden of proving by clear and convincing evidence (sufficient to rebut the foregoing presumption) that Indemnitee is not entitled to indemnification based on one or more of clauses (i) through (iv) of the first sentence of Section 1(a);

(iv) Indemnitee may establish a conclusive presumption of any objective fact related to an event or occurrence by delivering to the Company a declaration made under penalty of perjury that such fact is true, provided, that no such presumption may be established with respect to the ultimate conclusions set forth in any of clauses (i) through (iv) of the first sentence of Section 1(a);

(v) If Indemnitee is or was serving as a director, officer, employee, trustee or agent of a corporation of which a majority of the shares entitled to vote in the election of its directors is held by the Company or in an executive or management capacity in a partnership, joint venture, trust or other enterprise of which the Company or a wholly-owned subsidiary of the Company is a general partner or has a majority ownership, then such corporation, partnership, joint venture, trust or enterprise shall conclusively be deemed a Related Company and Indemnitee shall conclusively be deemed to be serving such Related Company at the request of the Company;

(vi) Neither (a) the failure of the Company (including but not limited to the Board, the Company's officers, independent counsel, Special Legal Counsel, any arbitrator or the Company's shareholders) to make a determination prior to the commencement of the Enforcement Action whether indemnification, or payment of an Expense Advance, of Indemnitee is proper in the circumstances, nor (b) an actual determination by the Company, the Board, the Company's officers, independent counsel, Special Legal Counsel, any arbitrator or the Company's shareholders that Indemnitee is not entitled to indemnification or payment of an Expense Advance shall be a defense to the Enforcement Action, create a presumption that Indemnitee is not entitled to indemnification hereunder or be considered by a court in an Enforcement Action, which shall conduct a de novo review of the relevant issues; and

(vii) If the court hearing the Enforcement Action is unable to make either of the determinations specified in Sections 3(b)(i) or 3(b)(ii), the court hearing the Enforcement Action shall nonetheless order the Company to provide indemnification or to advance expenses to Indemnitee to the full extent sought in the Enforcement Action if it determines that Indemnitee is fairly and reasonably entitled to such indemnification or Expense Advance in view of all of the relevant circumstances, and without regard to the limitations set forth in clauses (i) through (iii) of the first sentence of Section 1(a). In determining whether Indemnitee is fairly and reasonably entitled to such indemnification or expense advance, the court shall weigh (a) the relative benefits received by the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and Indemnitee on the other from the transaction from which such Proceeding arose or to which such Proceeding relates, and (b) the relative fault of the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and of Indemnitee on the other in connection with the transaction that resulted in such Damages, as well as any other relevant equitable considerations. The relative fault of the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and of Indemnitee on the other shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Damages. If either (Y) the relative benefits received by the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, exceed the relative benefits received by Indemnitee, or (Z) the relative fault of the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, exceeds the relative fault of Indemnitee, then Indemnitee shall be entitled to the full amount of indemnification and/or Expense Advance sought in the Enforcement Proceeding.

(d) **Attorneys' Fees and Expenses for Enforcement Action.** In any Enforcement Action, the Company shall hold harmless and indemnify Indemnitee against all of Indemnitee's attorney's fees and expenses in bringing, defending and/or pursuing the Enforcement Action (including but not limited to attorney's fees at any stage, and on appeal); provided, however, that the Company shall not be required to provide such indemnification for such fees and expenses if it is Finally Adjudged that Indemnitee knew prior to commencement of the Enforcement Action that Indemnitee was not entitled to indemnification based on any of clauses (i) through (iv) of the first sentence of Section 1(a).

4. Defense of Claim. With respect to any Proceeding as to which Indemnitee has provided notice to the Company pursuant to Section 1(e)(i):

(a) The Company may participate therein at its own expense.

(b) The Company (jointly with any other indemnifying party similarly notified, if any) may assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election to so assume the defense thereof, the Company shall not be liable to Indemnitee under this Agreement for any legal fees or other expenses (other than reasonable costs of investigation) subsequently incurred by Indemnitee in connection with the defense thereof unless (i) the employment of counsel by Indemnitee or the incurring of such expenses has been authorized by the Company, (ii) Indemnitee shall have concluded that there is a reasonable possibility that a conflict of interest could arise between the Company and Indemnitee in the conduct of the defense of such Proceeding, which conflict of interest shall be conclusively presumed to exist upon Indemnitee's delivery to the Company of a written certification of such conclusion, or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the legal fees and other expenses of Indemnitee shall be at the expense of the Company. The Company shall not be entitled to assume the defense of a Proceeding brought by or on behalf of the Company or as to which Indemnitee shall have reached the conclusion described in clause (ii) above.

(c) The Company shall not be liable for any amounts paid in settlement of any Proceeding effected without its written consent.

(d) The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent.

(e) Neither the Company nor Indemnitee will unreasonably withhold its or his or her consent to any proposed settlement of any Proceeding.

(f) In addition to all the requirements above, if Company has directors and officers liability insurance, or other insurance, with a panel counsel requirement that may be triggered then or at some future point by the matter for which indemnity is owed to Indemnitee, then Indemnitee shall use such panel counsel, unless there is an actual conflict of interest with representation by all such panel counsel, or unless and to the extent Company waives such requirement in writing.

5. Maintenance of D&O Insurance.

(a) Subject to Section 5(c) below, during the period (the "Coverage Period") beginning on the date of this Agreement and ending at the later of six (6) years following the time Indemnitee is no longer serving as either a director or officer of the Company and/or one or more subsidiaries or any Related Company, or at the end of such longer period during which Indemnitee believes that a reasonable possibility of exposure to a Proceeding or Damages persists (which extended period must be consented to by the Company, such consent not to be unreasonably withheld), the Company shall maintain a directors' and officers' liability insurance policy in full force and effect or shall have purchased or otherwise provided for a run-off or tail policy or endorsement to such existing policy ("D&O Insurance"), providing in all respects coverage at least comparable to and in similar amounts, and with similar exclusions, as that obtained by other similarly situated companies as determined in good faith by any of the parties referenced in Section 1(f)(iii)(a) through (c).

(b) Under all policies of D&O Insurance, Indemnitee shall during the Coverage Period be named as an insured in such a manner as to provide Indemnitee the same rights and benefits, subject to the same limitations, as are accorded to the Company's directors or officers most favorably insured by such policy, and each insurer under a policy of D&O Insurance shall be required to provide Indemnitee written notice at least thirty (30) days prior to the effective date of termination of the policy.

(c) The Company shall have no obligation to obtain or maintain D&O Insurance to the extent that such insurance is not reasonably available, the premium costs for such insurance are disproportionate to the amount of coverage provided, or the coverage provided by such insurance is so limited by exclusions as to provide an insufficient benefit, such determination to be made by any of the parties referenced in Section 1(f)(iii)(a) through (c).

(d) It is the intention of the parties in entering into this Agreement that the insurers under the D&O Insurance, if any, shall be obligated ultimately to pay any claims by Indemnitee which are covered by D&O Insurance, and nothing herein shall be deemed to diminish or otherwise restrict the Company's or Indemnitee's right to proceed or collect against any insurers under D&O Insurance or to give such insurers any rights against the Company or Indemnitee under or with respect to this Agreement, including but not limited to any right to be subrogated to the Company's or Indemnitee's rights hereunder, unless otherwise expressly agreed to by the Company and Indemnitee in writing. The obligation of such insurers to the Company and Indemnitee shall not be deemed reduced or impaired in any respect by virtue of the provisions of this Agreement.

(e) No indemnification pursuant to this Agreement shall be provided by the Company for Damages or Expense Advances that have been paid directly to Indemnitee by an insurance carrier under a policy of D&O Insurance or other insurance maintained by the Company.

(f) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of Indemnitee to recover the same amounts from any insurer or other third person (other than another person with indemnification rights against the Company substantially similar those of Indemnitee under this Agreement). Indemnitee shall execute all documents required and take all acts necessary to secure such rights and enable the Company effectively to bring suit to enforce such rights.

6. Partial Indemnification; Mutual Acknowledgment; Contribution.

(a) **Partial Indemnification.** If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Damages in connection with a Proceeding, but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such Damages to which Indemnitee is entitled.

(b) **Mutual Acknowledgment.** The Company and Indemnitee acknowledge that, in certain instances, federal law or public policy may override applicable state law and prohibit the Company from indemnifying Indemnitee under this Agreement or otherwise. For example, the Company and Indemnitee acknowledge that the Securities and Exchange Commission (the "SEC") has taken the position that indemnification is not permissible for liabilities arising under certain federal securities laws, and federal legislation prohibits indemnification for certain ERISA violations. Furthermore, Indemnitee understands that the Company has undertaken or may be required in the future to undertake with the SEC to submit for judicial determination the issue of the Company's power to indemnify Indemnitee in certain circumstances; all of the Company's obligations under this Agreement will be subject to the requirements of any such undertaking required by the SEC to be made by the Company.

(c) **Contribution.** If the indemnification provided under Sections 1, 2 and 6 is unavailable by reason of any of the circumstances specified in one or more of clauses (i) through (iii) of the first sentence of Section 1(a) then, in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Damages (including attorney's fees) actually and reasonably incurred and paid or payable by Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and Indemnitee on the other from the transaction or events from which such Proceeding arose or to which such Proceeding relates, and (ii) the relative fault of the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and of Indemnitee on the other in connection with the transaction or events that resulted in such Damages, as well as any other relevant equitable considerations. The relative fault of the Company and/or any of its subsidiaries or any Related Company, or any of their affiliates other than Indemnitee, on the one hand, and of Indemnitee on the other shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Damages. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 6(c) were determined by pro rata allocation or any other method of allocation that does not take account of the foregoing equitable considerations.

7. Release of Claims Relating to Officer's Failure to Discharge Duties. If Indemnitee is an officer of the Company and/or one or more of its subsidiaries, the indemnification and other rights and benefits provided to Indemnitee by this Agreement shall apply fully with respect to any Proceeding in which it is claimed or adjudicated that Indemnitee is liable to the Company and/or one or more of its subsidiaries by reason of having failed to discharge the duties of Indemnitee's office, and the Company hereby irrevocably releases all such claims and liabilities, agrees to cause its subsidiaries to release all such claims, and agrees to hold Indemnitee harmless with respect to any such claims; provided, however, that the foregoing indemnification, release and hold harmless obligations of the Company shall have no application with respect to claims by and liabilities to the Company based upon actions or omissions described in one or more of clauses (i) through (iv) of the first sentence of Section 1(a).

8. Miscellaneous.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware.

(b) This Agreement shall be binding upon Indemnitee and upon the Company, its successors and assigns, and shall inure to the benefit of Indemnitee, Indemnitee's heirs, personal representatives and assigns and to the benefit of the Company, its successors and assigns. The Company shall require any successor to the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) Indemnitee's rights to indemnification and advancement of expenses under this Agreement shall not be deemed exclusive of any other or additional rights to which Indemnitee may be entitled under the Certificate or the Bylaws of the Company, any vote of shareholders or disinterested directors, the Statute or otherwise, whether as to actions or omissions in Indemnitee's official capacity or otherwise. The Company hereby acknowledges that Indemnitee has or may have certain rights to indemnification, advancement of expenses and/or insurance provided by third party indemnitors, such as an employer. The Company hereby agrees (i) that the Company is the indemnitor of first resort (i.e., the Company's obligations to Indemnitee are primary and any obligation of the third party indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary) and (ii) that the Company shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Damages and Expense Advances required by the terms of this Agreement, the Certificate and the Bylaws, without regard to any rights Indemnitee may have against third party indemnitors. The Company further agrees that no advancement or payment by the third party indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification or advancement from the Company shall affect the foregoing and the third party indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company.

(d) Nothing in this Agreement shall confer upon Indemnitee the right to continue to serve as a director and/or officer of the Company or any of its subsidiaries or any Related Company. If Indemnitee is an officer of the Company, then, unless otherwise expressly provided in a written employment agreement between the Company and Indemnitee, the employment of Indemnitee with the Company shall be terminable at will by either party. The indemnification and release provided under this Agreement shall apply to any and all Proceedings, notwithstanding that Indemnitee has ceased to be a director, officer, partner, employee, trustee or agent of the Company, any of its subsidiaries or a Related Company, and shall inure to the benefit of the heirs, executors and administrators of Indemnitee.

(e) If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, then: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such invalid, illegal or unenforceable provision that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such invalid, illegal or unenforceable provision, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(f) Any notices or communications to be given or required to be given under this Agreement shall be given by personal delivery or registered airmail, overnight courier, telex, facsimile or electronic mail at the address set forth on the signature page hereto (or such other address as the relevant party provides the other party in writing. Notices and communications shall be deemed received by the addressee on the date of delivery if delivered in person, on the third (3^{rd}) day after mailing if delivered by registered airmail, on the next business day after mailing if sent by overnight courier, on the next business day if sent by telex or facsimile, or upon confirmation of delivery when directed to the electronic mail address described above if sent by electronic mail.

(g) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

(h) If Indemnitee has previously executed an indemnification agreement with the Company, this Agreement supersedes such prior indemnification agreement in its entirety.

(i) This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective as of the last date indicated below.

"COMPANY"
CHANTICLEER HOLDINGS, INC.,
a Delaware corporation

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

Address

"INDEMNITEE"
an individual

/s/ Frederick L. Glick
Print Name:

Date:

Address

Exhibit 21

Name	Jurisdiction of Incorporation	Percent Owned
CHANTICLEER HOLDINGS, INC.	**DE, USA**	
Burger Business		
American Roadside Burgers, Inc.	DE, USA	100%
American Burger Ally, LLC	NC, USA	100%
American Burger Morehead, LLC	NC, USA	100%
American Burger Prosperity, LLC	NC, USA	50%
American Roadside Burgers Smithtown, Inc.	DE, USA	100%
American Roadside McBee, LLC	NC, USA	100%
American Roadside Southpark LLC	NC, USA	100%
BGR Acquisition, LLC	NC, USA	100%
BGR Franchising, LLC	VA, USA	100%
BGR Operations, LLC	VA, USA	100%
BGR Acquisition 1, LLC	NC, USA	100%
BGR Annapolis, LLC	MD, USA	100%
BGR Arlington, LLC	VA, USA	100%
BGR Columbia, LLC	MD, USA	100%
BGR Dupont, LLC	DC, USA	100%
BGR Michigan Ave, LLC	DC, USA	100%
BGR Mosaic, LLC	VA, USA	100%
BGR Old Keene Mill, LLC	VA, USA	100%
BGR Springfield Mall, LLC	VA, USA	100%
BGR Tysons, LLC	VA, USA	100%
BGR Washingtonian, LLC	MD, USA	100%
Capitol Burger, LLC	MD, USA	100%
BT Burger Acquisition, LLC	NC, USA	100%
BT's Burgerjoint Rivergate LLC	NC, USA	100%
BT's Burgerjoint Sun Valley, LLC	NC, USA	100%
LBB Acquisition, LLC	NC, USA	100%
Cuarto LLC	OR, USA	100%
LBB Acquisition 1 LLC	OR, USA	100%
LBB Capitol Hill LLC	WA, USA	50%
LBB Franchising LLC	NC, USA	100%
LBB Green Lake LLC	OR, USA	50%
LBB Hassalo LLC	OR, USA	80%
LBB Lake Oswego LLC	OR, USA	100%
LBB Magnolia Plaza LLC	NC, USA	50%
LBB Multnomah Village LLC	OR, USA	50%
LBB Platform LLC	OR, USA	80%
LBB Progress Ridge LLC	OR, USA	50%
LBB Rea Farms LLC	NC, USA	50%
LBB Wallingford LLC	WA, USA	50%
Noveno LLC	OR, USA	100%
Octavo LLC	OR, USA	100%
Primero LLC	OR, USA	100%
Quinto LLC	OR, USA	100%
Segundo LLC	OR, USA	100%
Septimo LLC	OR, USA	100%
Sexto LLC	OR, USA	100%

Just Fresh		
JF Franchising Systems, LLC	NC, USA	56%
JF Restaurants, LLC	NC, USA	56%
West Coast Hooters		
Jantzen Beach Wings, LLC	OR, USA	100%
Oregon Owl's Nest, LLC	OR, USA	100%
Tacoma Wings, LLC	WA, USA	100%
South African Entities		
Chanticleer South Africa (Pty) Ltd.	South Africa	100%
Hooters Emperors Palace (Pty.) Ltd.	South Africa	88%
Hooters On The Buzz (Pty) Ltd	South Africa	95%
Hooters PE (Pty) Ltd	South Africa	100%
Hooters Ruimsig (Pty) Ltd.	South Africa	100%
Hooters SA (Pty) Ltd	South Africa	78%
Hooters Umhlanga (Pty.) Ltd.	South Africa	90%
Hooters Willows Crossing (Pty) Ltd	South Africa	100%
European Entities		
Chanticleer Holdings Limited	Jersey	100%
West End Wings LTD	United Kingdom	100%
Inactive Entities		
American Roadside Cross Hill, LLC	NC, USA	100%
Avenel Financial Services, LLC	NV, USA	100%
Avenel Ventures, LLC	NV, USA	100%
BGR Cascades, LLC	VA, USA	100%
BGR Chevy Chase, LLC	MD, USA	100%
BGR Old Town, LLC	VA, USA	100%
BGR Potomac, LLC	MD, USA	100%
BT's Burgerjoint Biltmore, LLC	NC, USA	100%
BT's Burgerjoint Promenade, LLC	NC, USA	100%
Chanticleer Advisors, LLC	NV, USA	100%
Chanticleer Finance UK (No. 1) Plc	United Kingdom	100%
Chanticleer Investment Partners, LLC	NC, USA	100%
Dallas Spoon Beverage, LLC	TX, USA	100%
Dallas Spoon, LLC	TX, USA	100%
DineOut SA Ltd.	England	89%
Hooters Brazil	Brazil	100%

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference of our report, dated April 1, 2019, with respect to the consolidated balance sheets of Chanticleer Holdings, Inc. and Subsidiaries (the "Company") as of December 31, 2018 and 2017 and the related consolidated statements of operations and comprehensive loss, equity and cash flows for the years then ended, in (i) the Company's Registration Statement on Form S-1 (File No. 333-214319), (ii) the Company's Registration Statements on Form S-3 (File Nos. 333-193144, 333-195055, 333-207409, 333-203679, 333-226107, 333-220336) and (iii) the Company's Registration Statement on Form S-8 (File No. 333-193742), which report is included in this Annual report on Form 10-K of Chanticleer Holdings, Inc. and Subsidiaries as of and for the year then ended December 31, 2018.

/s/ Cherry Bekaert, LLP

Charlotte, North Carolina
April 1, 2019

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Michael D. Pruitt, certify that:

1. I have reviewed this annual report on Form 10-K of Chanticleer Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: April 1, 2019

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

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Patrick Harkleroad, certify that:

1. I have reviewed this annual report on Form 10-K of Chanticleer Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: April 1, 2019

/s/ Patrick Harkleroad

Patrick Harkleroad
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Chanticleer Holdings, Inc., a Delaware corporation (the "Company") for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Michael D. Pruitt, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 1, 2019

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

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Chanticleer Holdings, Inc., a Delaware corporation (the "Company") for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Patrick Harkleroad, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 1, 2019

/s/ Patrick Harkleroad

Patrick Harkleroad
Chief Financial Officer
(Principal Financial Officer)