

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

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CHANTICLEER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or jurisdiction of
incorporation or organization)

8742
(Primary Standard Industrial
Classification Code Number)

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

**7621 Little Avenue, Suite 414
Charlotte, NC 28226
(704) 366-5122**
(Address and telephone number of principal executive offices and principal place of business)

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

With copy to:

Ruba Qashu
Libertas Law Group, Inc.
225 Santa Monica Boulevard, 5th Floor
Santa Monica, CA 90401

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 , check the following box.

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company , or an emerging growth company .

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price per Share	Estimated Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Subscription rights to purchase common stock, \$0.0001 par value per share (the "common stock")	—	—	—	(3 —)
Shares of common stock underlying the subscription rights	—	—	\$ 16,000,000	\$ 1,939.20(4)
Total	—	—	\$ 16,000,000	\$ 1,939.20(4)

- (1) This registration statement relates to (a) the subscription rights (or "rights") to purchase common stock and (b) the shares of common stock deliverable upon the exercise of the rights.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
- (3) The rights are being issued without consideration. Pursuant to Rule 457(g), no separate registration fee is payable with respect to the rights being offered hereby since the rights are being registered in the same registration statement as the securities to be offered pursuant thereto.
- (4) Registration fee previously paid with initial filing of this registration statement.

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

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is prohibited.

Subject to completion, dated May 28, 2019

PRELIMINARY PROSPECTUS

CHANTICLEER HOLDINGS, INC.

**Up to 11,428,571 Shares of Common Stock
Issuable Upon Exercise of Rights to Subscribe for such Shares at \$[_____] per Full Share**

We are distributing, at no charge, to holders of our common stock and certain holders of warrants to purchase shares of our common stock non-transferable subscription rights to purchase up to 11,428,571 shares of our common stock. You will receive three subscription rights for each share of common stock and each share of common stock underlying warrants owned at 4:00 p.m., Eastern time, on June 7, 2019.

Each subscription right will entitle you to purchase one share of our common stock at a subscription price of \$[_____] per full share, which we refer to as the basic subscription privilege. The per-share price was determined by our board of directors after a review of recent historical trading prices of our common stock and the closing sales price of our common stock on [____], 2019, the last trading day prior to determination of the subscription price. The closing price of our common stock on [____], 2019 was \$[_____]. If you fully exercise your basic subscription privilege and other rights holders do not fully exercise their basic subscription privileges, you may also exercise an over-subscription right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among rights holders exercising this over-subscription right. If all the rights are exercised, the total purchase price of the shares of common stock offered in the rights offering will be approximately \$16 million.

We are conducting the offering to raise capital that we intend to use for strategic acquisitions and general corporate purposes, which may include funding our growth plan, working capital and capital expenditures and funding our operations until we become cash flow positive from operations (excluding capital expenditures). See "Use of Proceeds."

The subscription rights will expire if they are not exercised by 5:00 p.m., Eastern time, on [____], 2019, unless we extend the rights offering period. We have the option to extend the rights offering and the period for exercising your subscription rights for a period not to exceed 30 days, although we do not presently intend to do so. You should carefully consider whether to exercise your subscription rights prior to the expiration of the rights offering. All exercises of subscription rights are irrevocable, even if the rights offering is extended by our board of directors. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced.

In the event that the exercise by a rights holder of the basic subscription privilege or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company's ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Internal Revenue Code of 1986, as amended (the "Code"), and rules promulgated by the Internal Revenue Service (the "IRS"), the Company may, but is under no obligation to, reduce the exercise by such rights holder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company's ability to use the Tax Attributes.

Our board of directors is making no recommendation regarding your exercise of the subscription rights. The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the NASDAQ Capital Market or any stock exchange or market or on the OTC Bulletin Board.

Our board of directors may cancel the rights offering at any time prior to the expiration of the rights offering for any reason. In the event the rights offering is cancelled, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We have engaged Chardan Capital Markets, LLC (“Chardan”) and The Oak Ridge Financial Services Group, Inc. (“Oak Ridge”) as dealer-managers for this offering.

Shares of our common stock are traded on the NASDAQ Capital Market (“Nasdaq”) under the symbol “BURG”. On [____], 2019, the closing sales price for our common stock was \$[____] per share. The shares of common stock issued in the rights offering will also be traded on Nasdaq under the same symbol.

	Subscription Price	Dealer Manager Fee (1)	Proceeds, Before Expenses, to Us
Per share	\$ [____]	\$ [____]	\$ [____]
Total (2)	\$ 16,000,000	\$ 1,195,000	\$ 14,805,000

(1) In connection with the rights offering, we have agreed to pay Chardan and Oak Ridge, the dealer-managers for this offering, in the aggregate, a cash fee *up to* 7% of the gross proceeds of this offering and a non-accountable expense allowance *up to* \$75,000.

(2) Assumes that the rights offering is fully subscribed and that the maximum offering amount in the aggregate of \$16 million is subscribed.

The exercise of your subscription rights for shares of our common stock involves risks. See “Risk Factors” beginning on page 18 of this prospectus as well as the risk factors and other information in any documents we incorporate by reference into this prospectus to read about important factors you should consider before exercising your subscription rights.

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

If you have any questions or need further information about this rights offering, please contact Securities Transfer Corporation, our information agent for the rights offering, at (469) 633-0101 or chanticleer@stctransfer.com.

Dealer-Managers

Chardan

The Oak Ridge Financial Services Group, Inc.

The date of this prospectus is [____], 2019

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PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus. This summary may not contain all of the information that you should consider before deciding whether or not you should exercise your subscription rights. You should carefully read this prospectus, including the documents incorporated by reference, which are described under the heading "Incorporation by Reference" in this prospectus. We encourage you to carefully read this entire prospectus and the documents to which we refer you. Unless the context otherwise requires, when we use the words "Chanticleer," "the Company," "we," "us" or "our" in this prospectus, we are referring to Chanticleer Holdings, Inc., a Delaware corporation, and its subsidiaries.

Our Business

Chanticleer is in the business of owning, operating and franchising fast casual and full-service dining concepts in the United States 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.

Restaurant Brands

Better Burgers Fast Casual

We own, operate and franchise a system-wide total of 45 fast casual restaurants specializing in the "Better Burger" category of which 33 are company-owned and 12 are operated by franchisees under franchise agreements.

American Burger Company ("ABC") is a fast-casual dining chain consisting of 6 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 11 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") consists of 16 company-owned locations in Oregon, Washington and North Carolina and 1 franchisee-operated location in Texas. In addition, 2 company-owned locations are currently under construction. Of the company-owned locations, 10 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 non-controlling 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 Better 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 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 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

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.

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.

As of March 31, 2019, our system-wide store count totaled 58 locations, consisting of 46 company-owned locations and 12 franchisee-operated locations.

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 New York and the Carolinas . BGR operates company restaurants in the mid-Atlantic region of the United States, as well as franchise locations across the United States and internationally. LBB operates in Oregon, Washington and North Carolina, as well as franchise locations in 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, ABB, BGR and LBB. 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 Regulations

Environmental Regulations

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 Regulations

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 Regulations

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.

Employees

As of 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.

Corporate Information

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

The Rights Offering

The following summary describes the principal terms of the rights offering, but is not intended to be complete. See the information under the heading "The Rights Offering" in this prospectus for a more detailed description of the terms and conditions of the rights offering.

Securities Offered

We are distributing, at no charge, to holders of our common stock and certain holders of warrants to purchase shares of our common stock as of the record date for the rights offering, non-transferable subscription rights to purchase up to 11,428,571 shares of our common stock. You will receive three subscription rights for each share of common stock and each share of common stock underlying warrants owned at 4:00 p.m., Eastern time, on June 7, 2019, which is the record date for the rights offering.

Basic Subscription Privilege

The basic subscription privilege of each subscription right will entitle you to purchase one share of our common stock at a subscription price of \$[_____] per full share.

Over-Subscription Privilege

If you fully exercise your basic subscription privilege and other rights holders do not fully exercise their basic subscription privileges, you may also exercise an over-subscription right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among rights holders exercising this over-subscription right. To the extent the number of the unsubscribed shares are not sufficient to satisfy all of the properly exercised over-subscription rights requests, then the available shares will be prorated among those who properly exercised over-subscription rights based on the number of shares each rights holder subscribed for under the basic subscription right. If this pro rata allocation results in any rights holder receiving a greater number of shares of common stock than the rights holder subscribed for pursuant to the exercise of the over-subscription privilege, then such rights holder will be allocated only that number of shares for which the rights holder oversubscribed, and the remaining shares of common stock will be allocated among all other rights holders exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

Limitations on Exercise

In the event that the exercise by a rights holder of the basic subscription privilege or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company's ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Code and rules promulgated by the IRS, the Company may, but is under no obligation to, reduce the exercise by such rights holder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company's ability to use the Tax Attributes.

Record Date

4:00 p.m., Eastern time, on June 7, 2019

Expiration of the Rights Offering

5:00 p.m., Eastern time, on [____], 2019

Subscription Price

[\$____] per full share, payable in cash. To be effective, any payment related to the exercise of a right must clear prior to the expiration of the rights offering.

Use of Proceeds

We are conducting the rights offering to raise capital that we intend to use for strategic acquisitions and general corporate purposes, which may include funding our growth plan, working capital and capital expenditures and funding our operations until we become cash flow positive from operations (excluding capital expenditures). See "Use of Proceeds."

Non-Transferability of Rights

The subscription rights may not be sold, transferred or assigned and will not be listed for trading on Nasdaq or on any stock exchange or market or on the OTC Bulletin Board.

No Board Recommendation

Although our directors may invest their own money in the rights offering, our board of directors is making no recommendation regarding your exercise of the subscription rights. You are urged to make your decision based on your own assessment of our business and the rights offering. Please see “Risk Factors” for a discussion of some of the risks involved in investing in our common stock.

No Revocation

All exercises of subscription rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights and even if the rights offering is extended by our board of directors. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at a subscription price of \$[_____] per full share.

U.S. Federal Income Tax Considerations

For U.S. federal income tax purposes, you generally should not recognize income or loss in connection with the receipt or exercise of subscription rights unless the rights offering is part of a “disproportionate distribution” within the meaning of applicable tax rules (in which case you may recognize taxable income upon receipt of the subscription rights). Our U.S. tax counsel, Libertas Law Group, Inc., is of the opinion that the rights offering should not be part of a disproportionate distribution, but certain aspects of that determination are not certain. This position is not binding on the IRS or the courts, however. You are urged to consult your own tax advisor as to your particular tax consequences resulting from the receipt and exercise of subscription rights and the receipt, ownership and disposition of our common stock. For further information, please see “Material U.S. Federal Income Tax Consequences.”

Extension, Cancellation and Amendment

We have the option to extend the rights offering and the period for exercising your subscription rights for a period not to exceed 30 days, although we do not presently intend to do so. If we elect to extend the expiration of the rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced expiration time of the rights offering. We will extend the duration of the rights offering as required by applicable law or regulation and may choose to extend it if we decide to give investors more time to exercise their subscription rights in the rights offering. If we elect to extend the rights offering for a period of more than 30 days, then rights holders who have subscribed for rights may cancel their subscriptions and receive a refund of all money advanced.

Our board of directors may cancel the rights offering at any time prior to the expiration of the rights offering for any reason. In the event that the rights offering is cancelled, we will issue a press release notifying rights holders of the cancellation and all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

Our board of directors also reserves the right to amend or modify the terms of the rights offering. If we should make any fundamental changes to the terms of the rights offering set forth in this prospectus, we will file a post-effective amendment to the registration statement in which this prospectus is included, offer rights holders who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such rights holder and recirculate an updated prospectus after the post-effective amendment is declared effective by the Securities and Exchange Commission (the “SEC”). In addition, upon such event, we may extend the expiration date of the rights offering to allow rights holders ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to the rights offering and the new expiration date. The terms of the rights offering cannot be modified or amended after the expiration date of the rights offering. Although we do not presently intend to do so, we may choose to amend or modify the terms of the rights offering for any reason, including, without limitation, in order to increase participation in the rights offering. Such amendments or modifications may include a change in the subscription price, although no such change is presently contemplated.

Procedures for Exercise

To exercise your subscription rights, you must complete the Subscription Rights Certificate (the “rights certificate”) and deliver it to the subscription agent, Securities Transfer Corporation, together with full payment for all the subscription rights you elect to exercise under the basic subscription privilege and over-subscription privilege. You may deliver the documents and payments by mail or commercial carrier. If regular mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested.

If you cannot deliver your rights certificate to the subscription agent prior to the expiration of the rights offering, you may follow the guaranteed delivery procedures described under “The Rights Offering—Guaranteed Delivery Procedures.”

Subscription Agent

Securities Transfer Corporation

Information Agent

Securities Transfer Corporation

Dealer-Managers

Chardan Capital Markets, LLC and The Oak Ridge Financial Services Group, Inc.

Shares Outstanding Before the Rights Offering

3,939,023 shares of our common stock were outstanding as of May 13, 2019

Shares Outstanding After the Rights Offering

As of May 13, 2019, we had 3,939,023 shares of our common stock issued and outstanding. We expect to issue 11,428,571 shares of our common stock in the rights offering through the exercise of subscription rights. After the rights offering, we anticipate that we will have approximately 15,367,594 shares of our common stock outstanding.

Risk Factors

You should carefully read and consider the risk factors contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and in the “Risk Factors” section beginning on page 18 of this prospectus, together with all of the other information included in or incorporated by reference into this prospectus, before you decide to exercise your subscription rights to purchase shares of our common stock.

Fees and Expenses

We will pay all fees charged by the subscription agent and the information agent in connection with the rights offering. We will also pay the fees and commissions charged by the dealer-managers. You are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of the subscription rights.

Distribution Arrangements

Chardan and Oak Ridge will act as dealer-managers for this rights offering. Under the terms and subject to the conditions contained in their dealer-manager agreement, the dealer-managers will provide marketing assistance in connection with this offering. We have agreed to pay Chardan and Oak Ridge certain fees for acting as dealer-managers and to pay Chardan and Oak Ridge, in the aggregate, a non-accountable expense allowance of up to \$75,000 for expenses incurred in connection with this offering. Chardan and Oak Ridge will not be subject to any liability to us in rendering the services contemplated by their dealer-manager agreement except for any act of bad faith or gross negligence of the dealer-manager. Chardan and Oak Ridge do not make any recommendation with respect to the rights or the shares of our common stock being sold in this offering (including with respect to the exercise of such rights).

NASDAQ Capital Market Trading Symbol

BURG

Questions

If you have any questions about the rights offering, including questions about subscription procedures and requests for additional copies of this prospectus or other documents, please contact the information agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stctransfer.com.

Summary Financial Information

The selected consolidated financial data presented below should be read in conjunction with our consolidated financial statements and the notes to the consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2018 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 , which are incorporated herein by reference.

Our revenues, net loss and comprehensive loss for the fiscal years ended December 31, 2018 and December 31, 2017 and for the three months ended March 31, 2019 and March 31, 2018 were as follows:

	Fiscal Years Ended December 31,		Three Months Ended March 31,	
	2018	2017	2019	2018
Revenues	\$ 40,613,709	\$ 41,432,863	\$ 10,197,770	\$ 9,995,516
Net loss	\$ (6,854,420)	\$ (6,794,771)	\$ (1,873,072)	\$ (2,597,432)
Comprehensive loss	\$ (6,121,634)	\$ (6,574,014)	\$ (1,835,240)	\$ (1,772,491)

QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFERING

What is the rights offering?

We are distributing to holders of our common stock and certain holders of warrants to purchase shares of our common stock , at no charge, non-transferable subscription rights to purchase shares of our common stock. You will receive three subscription rights for each share of common stock and each share of common stock underlying warrants you owned as of 4:00 p.m., Eastern time, on June 7 , 2019, the record date for the rights offering. The subscription rights will be evidenced by rights certificates. Each subscription right will entitle the rights holder to a basic subscription privilege and an over-subscription privilege.

What is the basic subscription privilege?

The basic subscription privilege of each subscription right gives our stockholders and certain warrant holders of record as of the record date the opportunity to purchase one share of our common stock at a subscription price of \$[_____] per full share. We have granted to you, as a stockholder or holder of certain warrants as of 4:00 p.m., Eastern time, on the record date , three subscription rights for each share of our common stock and each share of common stock underlying warrants you owned at that time . For example, if you owned 100 shares of our common stock as of 4:00 p.m., Eastern time, on the record date, you would receive 300 subscription rights and would have the right to purchase 300 shares of common stock for \$[_____] per full share with your basic subscription privilege. You may exercise the basic subscription privilege of any number of your subscription rights, or you may choose not to exercise any subscription rights.

If you hold your shares in the name of a broker, custodian bank, trustee or other nominee who uses the services of the Depository Trust Company (“DTC”), DTC will issue three subscription rights to the nominee for each share of our common stock you own at the record date. The basic subscription privilege of each subscription right can then be used to purchase one share of common stock for \$[_____] per full share. As in the example above, if you owned 100 shares of our common stock on the record date, you would receive 300 subscription rights and would have the right to purchase 300 shares of common stock for \$[_____] per full share with your basic subscription privilege.

Fractional shares of our common stock resulting from the exercise of the basic subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

What is the over-subscription privilege?

We do not expect all of our rights holders to exercise all of their basic subscription privileges. The over-subscription privilege provides rights holders that exercise all of their basic subscription privileges the opportunity to purchase the shares that are not purchased by other rights holders. If you fully exercise your basic subscription privilege and other rights holders do not fully exercise their basic subscription privileges, you may also exercise an over-subscription right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among rights holders exercising this over-subscription right. To the extent the number of the unsubscribed shares are not sufficient to satisfy all of the properly exercised over-subscription rights requests, then the available shares will be prorated among those who properly exercised over-subscription rights based on the number of shares each rights holder subscribed for under the basic subscription right. If this pro rata allocation results in any rights holder receiving a greater number of shares of common stock than the rights holder subscribed for pursuant to the exercise of the over-subscription privilege, then such rights holder will be allocated only that number of shares for which the rights holder oversubscribed, and the remaining shares of common stock will be allocated among all other rights holders exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the rights offering. Because we will not know the total number of unsubscribed shares prior to the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock available to you, assuming that no rights holder other than you has purchased any shares of our common stock pursuant to their basic subscription privilege and over-subscription privilege. See “The Rights Offering—The Subscription Rights—Over-Subscription Privilege.”

Fractional shares of our common stock resulting from the exercise of the over-subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

What are the limitations on the exercise of the basic subscription privilege and over-subscription privilege?

In the event that the exercise by a rights holder of the basic subscription privilege or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company’s ability to use net operating losses, tax credits and other tax attributes, which we refer to as the “Tax Attributes,” under the Code and rules promulgated by the IRS, the Company may, but is under no obligation to, reduce the exercise by such rights holder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company’s ability to use the Tax Attributes.

Why are we conducting the rights offering?

We are conducting the rights offering to raise capital that we intend to use for strategic acquisitions and general corporate purposes, which may include funding our growth plan, working capital and capital expenditures and funding our operations until we become cash flow positive from operations (excluding capital expenditures). See “Use of Proceeds.” We believe that the rights offering will strengthen our financial condition by generating additional cash and increasing our stockholders’ equity.

How was the \$[_____] per full share subscription price determined?

In determining the subscription price, our board of directors considered a number of factors, including: the likely cost of capital from other sources, the price at which our stockholders and certain warrant holders might be willing to participate in the rights offering, historical and current trading prices of our common stock, our need for liquidity and capital and the desire to provide an opportunity to our stockholders and certain warrant holders to participate in the rights offering on a pro rata basis. In conjunction with its review of these factors, our board of directors also reviewed a range of discounts to market value represented by the subscription prices in various prior rights offerings of public companies. The subscription price was established at a price of \$[_____] per full share. The subscription price is not necessarily related to our book value, net worth or any other established criteria of value and may or may not be considered the fair value of our common stock to be offered in the rights offering. We cannot give any assurance that our common stock will trade at or above the subscription price in any given time period.

Am I required to exercise all of the subscription rights I receive in the rights offering?

No. You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. However, if you choose not to exercise your subscription rights in full, the relative percentage of our common stock that you own will decrease, and your voting and other rights will be diluted. In addition, if you do not exercise your basic subscription privilege in full, you will not be entitled to participate in the over-subscription privilege.

How soon must I act to exercise my subscription rights?

The subscription rights may be exercised at any time beginning on the date of this prospectus and prior to the expiration of the rights offering, which is on [____], 2019, at 5:00 p.m., Eastern time. If you elect to exercise any rights, the subscription agent must actually receive all required documents and payments from you prior to the expiration of the rights offering. Although we have the option of extending the expiration of the rights offering for a period not to exceed 30 days, we currently do not intend to do so.

May I transfer my subscription rights?

No. You may not sell or transfer your subscription rights to anyone.

Are we requiring a minimum subscription to complete the rights offering?

No.

Are there any conditions to completing the rights offering?

No.

Can our board of directors extend, cancel or amend the rights offering?

Yes. We have the option to extend the rights offering and the period for exercising your subscription rights for a period not to exceed 30 days, although we do not presently intend to do so. If we elect to extend the expiration of the rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced expiration time of the rights offering. We will extend the duration of the rights offering as required by applicable law or regulation and may choose to extend it if we decide to give investors more time to exercise their subscription rights in the rights offering. If we elect to extend the rights offering for a period of more than 30 days, then rights holders who have subscribed for rights may cancel their subscriptions and receive a refund of all money advanced.

Our board of directors may cancel the rights offering at any time prior to the expiration of the rights offering for any reason. In the event that the rights offering is cancelled, we will issue a press release notifying rights holders of the cancellation and all subscription payments received by the subscription agent will be returned, without interest or penalty, as soon as practicable.

Our board of directors also reserves the right to amend or modify the terms of the rights offering. If we should make any fundamental changes to the terms of the rights offering set forth in this prospectus, we will file a post-effective amendment to the registration statement in which this prospectus is included, offer rights holders who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such rights holder and recirculate an updated prospectus after the post-effective amendment is declared effective by the SEC. In addition, upon such event, we may extend the expiration date of the rights offering to allow rights holders ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to the rights offering and the new expiration date. The terms of the rights offering cannot be modified or amended after the expiration date of the rights offering. Although we do not presently intend to do so, we may choose to amend or modify the terms of the rights offering for any reason, including, without limitation, in order to increase participation in the rights offering. Such amendments or modifications may include a change in the subscription price, although no such change is presently contemplated.

Has our board of directors made a recommendation to our rights holders regarding the rights offering?

Our board of directors does not make any recommendation to rights holders regarding the exercise of rights in the rights offering. You should make an independent investment decision about whether or not to exercise your rights. Rights holders who exercise subscription rights risk investment loss on new money invested. We cannot assure you that the market price for our common stock will remain above the subscription price or that anyone purchasing shares at the subscription price will be able to sell those shares in the future at the same price or a higher price. If you do not exercise your rights, you will lose any value represented by your rights and your percentage ownership interest in us will be diluted. Please see “Risk Factors” for a discussion of some of the risks involved in investing in our common stock.

What will happen if I choose not to exercise my subscription rights?

If you do not exercise any subscription rights, the number of shares of our common stock you own will not change; however, due to the fact that shares of common stock may be purchased by other rights holders in the rights offering, your percentage ownership in the Company after the completion of the rights offering will be diluted.

How do I exercise my subscription rights? What forms and payment are required to purchase the shares of our common stock?

If you wish to participate in the rights offering, you must take the following steps:

- (i) deliver payment to the subscription agent using the methods outlined in this prospectus before 5:00 p.m., Eastern time, on [____], 2019; and
- (ii) deliver a properly completed rights certificate to the subscription agent before 5:00 p.m., Eastern time, on [____], 2019.

If you cannot deliver your rights certificate to the subscription agent prior to the expiration of the rights offering, you may follow the guaranteed delivery procedures described under “The Rights Offering—Guaranteed Delivery Procedures.”

If you send a payment that is insufficient to purchase the number of shares you requested, or if the number of shares you requested is not specified in the forms, the payment received will be applied to exercise your subscription rights to the full extent possible based on the amount of the payment received, subject to the elimination of fractional shares.

When will I receive my new shares?

If you purchase shares of our common stock through the rights offering, you will receive your new shares as soon as practicable after the closing of the offering.

After I send in my payment and rights certificate, may I cancel my exercise of subscription rights?

No. All exercises of subscription rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights and even if the rights offering is extended by our board of directors. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at a subscription price of \$[] per full share.

What should I do if I want to participate in the rights offering but my shares are held in the name of my broker, custodian bank, trustee or other nominee?

If you hold your shares of our common stock in the name of a broker, custodian bank, trustee or other nominee, then your broker, custodian bank, trustee or other nominee is the record holder of the shares you own. The record holder must exercise the subscription rights on your behalf for the shares of our common stock you wish to purchase.

If you wish to participate in the rights offering and purchase shares of our common stock, please promptly contact the record holder of your shares. We will ask your broker, custodian bank, trustee or other nominee to notify you of the rights offering. You should complete and return to your record holder the form entitled "Beneficial Owner Election Form." You should receive this form from your record holder with the other rights offering materials.

How many shares of our common stock will be outstanding after the rights offering?

As of May 13, 2019, we had 3,939,023 shares of our common stock issued and outstanding. We expect to issue 11,428,571 shares of our common stock in the rights offering through the exercise of subscription rights and over-subscription rights. After the offering, we anticipate that we will have approximately 15,367,594 shares of our common stock outstanding.

How much proceeds will the Company receive from the rights offering?

Assuming all the shares of common stock offered are sold, the gross proceeds from the rights offering will be up to approximately \$16 million. Please see "Use of Proceeds."

Are there risks in exercising my subscription rights?

Yes. The exercise of your subscription rights involves risks. Exercising your subscription rights involves the purchase of additional shares of our common stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "Risk Factors" in this prospectus and the documents incorporated by reference herein.

May stockholders and warrant holders in all states participate in the rights offering?

Although we intend to distribute the rights to all stockholders and certain warrant holders, we reserve the right in some states to require stockholders and warrant holders, if they wish to participate, to state and agree upon exercise of their respective rights that they are acquiring the shares for investment purposes only, and that they have no present intention to resell or transfer any shares acquired. Our securities are not being offered in any jurisdiction where the offer is not permitted under applicable local laws.

If the rights offering is not completed, will my subscription payment be refunded to me?

Yes. The subscription agent will hold all funds it receives in a segregated bank account until completion of the rights offering. If the rights offering is not completed, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable. If you own shares in "street name," it may take longer for you to receive payment because the subscription agent will return payments through the record holder of your shares.

Will the subscription rights be listed on a stock exchange or national market?

The subscription rights may not be sold, transferred or assigned and will not be listed for trading on Nasdaq or on any other stock exchange or market or on the OTC Bulletin Board.

How do I exercise my subscription rights if I live outside the United States?

We will not mail this prospectus or the rights certificates to stockholders whose addresses are outside the United States or who have an army post office or foreign post office address. The subscription agent will hold the rights certificates for their account. To exercise subscription rights, our foreign stockholders must notify the subscription agent and timely follow the procedures described in “The Rights Offering—Foreign Stockholders.”

What fees or charges apply if I purchase shares of our common stock?

We are not charging any fee or sales commission to issue subscription rights to you or to issue shares to you if you exercise your subscription rights. If you exercise your subscription rights through the record holder of your shares, you are responsible for paying any fees your record holder may charge you.

What are the U.S. federal income tax consequences of exercising subscription rights?

For U.S. federal income tax purposes, you generally should not recognize income or loss in connection with the receipt or exercise of subscription rights unless the rights offering is part of a “disproportionate distribution” within the meaning of applicable tax rules (in which case you may recognize taxable income upon receipt of the subscription rights). We believe that the rights offering should not be part of a disproportionate distribution, but certain aspects of that determination are unclear. This position is not binding on the IRS or the courts, however. You are urged to consult your own tax advisor as to your particular tax consequences resulting from the receipt and exercise of subscription rights and the receipt, ownership and disposition of our common stock. For further information, please see “Material U.S. Federal Income Tax Consequences.”

To whom should I send my forms and payment?

If your shares are held in the name of a broker, custodian bank, trustee or other nominee, then you should send your subscription documents, rights certificate, Notice of Guaranteed Delivery and subscription payment to that record holder. If you are the record holder, then you should send your subscription documents, rights certificate, Notice of Guaranteed Delivery and subscription payment by hand delivery, first class mail or courier service to:

Securities Transfer Corporation
2901 N Dallas Parkway, Suite 380
Plano, TX 75093

You are solely responsible for completing delivery to the subscription agent of your subscription documents, rights certificate, Notice of Guaranteed Delivery and subscription payment. We urge you to allow sufficient time for delivery of your subscription materials to the subscription agent.

Whom should I contact if I have other questions?

If you have other questions or need assistance, please contact the information agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stctransfer.com.

In addition, Chardan and Oak Ridge will act as dealer-managers for the offering. Under the terms and subject to the conditions contained in their dealer-manager agreement, the dealer-managers will provide marketing assistance and advice to our company in connection with this offering. We have agreed to pay Chardan and Oak Ridge, in the aggregate, a cash fee *up to 7%* of the gross proceeds of this offering and a non-accountable expense allowance *up to \$75,000*. We have also agreed to indemnify Chardan and Oak Ridge and their respective affiliates against certain liabilities arising under the Securities Act of 1933, as amended (the “Securities Act”). Chardan and Oak Ridge do not make any recommendation with respect to the rights or the shares of our common stock being sold in this offering (including with respect to the exercise of such rights).

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the risks set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, including, without limitation, the risks described therein related to our growth strategy, our business and the food service industry, together with the other information included or incorporated by reference in this prospectus, before making a decision to invest in our common stock or to exercise your subscription rights to purchase shares of our common stock. If any of these risks actually occur, our business, results of operations and financial condition could suffer. In that case, the market price of our common stock could decline, and you may lose all or part of your investment.

Your interest in our company may be diluted as a result of this offering.

Common stockholders who do not fully exercise their respective rights should expect that they will, at the completion of this offering, own a smaller proportional interest in our company than would otherwise be the case had they fully exercised their basic subscription rights.

The market price of our common stock is volatile and may decline before or after the subscription rights expire.

The market price of our common stock could be subject to wide fluctuations in response to numerous factors, some of which are beyond our control. These factors include, among other things, actual or anticipated variations in our costs of doing business, operating results and cash flow, the nature and content of our earnings releases and our competitors' earnings releases, customers, competitors or markets, changes in financial estimates by securities analysts, business conditions in our markets and the general state of the securities markets and the market for similar stocks, changes in capital markets that affect the perceived availability of capital to companies in our industries, governmental legislation or regulation, as well as general economic and market conditions, such as continued downturns in our economy and recessions.

We cannot assure you that the market price of our common stock will not decline after you elect to exercise your subscription rights. If that occurs, you may have committed to buy shares of our common stock in the rights offering at a price greater than the prevailing market price, and could have an immediate unrealized loss. Moreover, we cannot assure you that following the exercise of your subscription rights you will be able to sell your common stock at a price equal to or greater than the subscription price. Until shares are delivered upon expiration of the rights offering, you will not be able to sell the shares of our common stock that you purchase in the rights offering. Certificates (physical, electronic or book entry form) representing shares of our common stock purchased will be delivered as soon as practicable after expiration of the rights offering. We will not pay you interest on funds delivered to the subscription agent pursuant to the exercise of subscription rights.

Completion of this offering is not subject to us raising a minimum offering amount and therefore proceeds may be insufficient to meet our objectives, thereby increasing the risk to investors in this offering.

Completion of this offering is not subject to us raising a minimum offering amount. As such, proceeds from this rights offering may not be sufficient to meet the objectives we state in this prospectus or other corporate milestones that we may set. Investors should not rely on the success of this offering to address our need for funding. If we fail to raise capital by mid-July 2019, we would expect to have to significantly decrease our growth plans and operating expenses, which will curtail the progress of our business.

The subscription rights are not transferable and there is no market for the subscription rights.

You may not sell, transfer or assign your subscription rights. The subscription rights are only transferable by operation of law. Because the subscription rights are non-transferable, there is no market or other means for you to directly realize any value associated with the subscription rights. You must exercise the subscription rights and acquire additional shares of our common stock to realize any value that may be embedded in the subscription rights.

None of our officers, directors or significant stockholders are obligated to exercise their subscription right and, as a result, the offering may be undersubscribed.

Our officers and directors, as a group, own approximately 4.96% of our outstanding common stock and there are no significant stockholders who own 5% or more of our outstanding common stock. None of our officers or directors are obligated to participate in this offering. We cannot guarantee you that any of our officers or directors will exercise their basic or over-subscription rights to purchase any shares issued in connection with this offering. As a result, the offering may be undersubscribed and proceeds may not be sufficient to meet the objectives we state in this prospectus or other corporate milestones that we may set.

This offering may cause the price of our common stock to decrease.

Depending upon the trading price of our common stock at the time of our announcement of the announcement of the rights offering and its terms, including the subscription price, together with the number of shares of common stock we propose to issue and ultimately will issue if this offering is completed, may result in an immediate decrease in the market value of our common stock. This decrease may continue after the completion of this offering. If that occurs, you may have committed to buy shares of common stock in the rights offering at a price greater than the prevailing market price. Further, if a substantial number of rights are exercised and the holders of the shares received upon exercise of those rights choose to sell some or all of those shares, the resulting sales could depress the market price of our common stock. Your purchase of shares of our common stock in the rights offering may be at a price greater than the prevailing trading price. There is no assurance that following the exercise of your rights you will be able to sell your common stock at a price equal to or greater than the subscription price.

You could be committed to buying shares of common stock above the prevailing market price.

Once you exercise your basic and any over-subscription rights, you may not revoke such exercise even if you later learn information that you consider to be unfavorable to the exercise of your rights. We cannot assure you that the market price of our shares of common stock will not decline prior to the expiration of this offering or that a subscribing rights holder will be able to sell shares of common stock purchased in this offering at a price equal to or greater than the subscription price.

If we terminate this offering for any reason, we will have no obligation other than to return subscription monies promptly.

We may decide, in our discretion and for any reason, to cancel or terminate the rights offering at any time prior to the expiration date. If this offering is terminated, we will have no obligation with respect to rights that have been exercised except to return promptly, without interest or deduction, the subscription monies deposited with the subscription agent. If we terminate this offering and you have not exercised any rights, such rights will expire worthless.

Our common stock price may be volatile as a result of this rights offering.

The trading price of our common stock may fluctuate substantially. The price of the common stock that will prevail in the market after this offering may be higher or lower than the subscription price depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time, including increased volatility due to the worldwide credit and financial markets crisis;
- significant volatility in the market price and trading volume of our securities, including increased volatility due to the worldwide credit and financial markets crisis;

- actual or anticipated changes or fluctuations in our operating results;
- material announcements by us regarding business performance, financings, mergers and acquisitions or other transactions;
- general economic conditions and trends;
- competitive factors;
- loss of key supplier or distribution relationships; or
- departures of key personnel.

We will have broad discretion in the use of the net proceeds from this offering and may not use the proceeds effectively.

Although we plan to use the proceeds of this offering primarily for strategic acquisitions and general corporate purposes, we will not be restricted to such use and will have broad discretion in determining how the proceeds of this offering will be used. Our discretion is not substantially limited by the uses set forth in this prospectus in the section entitled "Use of Proceeds." While our board of directors believes the flexibility in application of the net proceeds is prudent, the broad discretion it affords entails increased risks to the investors in this offering. Investors in this offering have no current basis to evaluate the possible merits or risks of any application of the net proceeds of this offering. Our stockholders may not agree with the manner in which we choose to allocate and spend the net proceeds.

If you do not act on a timely basis and follow subscription instructions, your exercise of rights may be rejected.

Rights holders who desire to purchase shares of our common stock in this offering must act on a timely basis to ensure that all required forms and payments are actually received by the subscription agent prior to 5:00 p.m., Eastern time, on the expiration date, unless extended. If you are a beneficial owner of shares of common stock and you wish to exercise your rights, you must act promptly to ensure that your broker, custodian bank, trustee or other nominee acts for you and that all required forms and payments are actually received by your broker, custodian bank, trustee or other nominee in sufficient time to deliver such forms and payments to the subscription agent to exercise the rights granted in this offering that you beneficially own prior to 5:00 p.m., Eastern time on the expiration date, as may be extended. We will not be responsible if your broker, custodian bank, trustee or other nominee fails to ensure that all required forms and payments are actually received by the subscription agent prior to 5:00 p.m., Eastern time, on the expiration date, as may be extended.

If you fail to complete and sign the required subscription forms, send an incorrect payment amount, or otherwise fail to follow the subscription procedures that apply to your exercise in this offering, the subscription agent may, depending on the circumstances, reject your subscription or accept it only to the extent of the payment received. Neither we nor the subscription agent undertakes to contact you concerning an incomplete or incorrect subscription form or payment, nor are we under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly follows the subscription procedures.

If you make payment of the subscription price by uncertified check, your check may not clear in sufficient time to enable you to purchase shares in this rights offering.

Any uncertified check used to pay for shares to be issued in this rights offering must clear prior to the expiration date of this rights offering, and the clearing process may require five or more business days. If you choose to exercise your subscription rights, in whole or in part, and to pay for shares by uncertified check and your check has not cleared prior to the expiration date of this rights offering, you will not have satisfied the conditions to exercise your subscription rights and will not receive the shares you wish to purchase.

The tax treatment of the rights offering is somewhat uncertain and it may be treated as a taxable event to our stockholders.

If the rights offering is deemed to be part of a “disproportionate distribution” under Section 305 of the Code, our stockholders may recognize taxable income for U.S. federal income tax purposes in connection with the receipt of subscription rights in the rights offering depending on our current and accumulated earnings and profits and our stockholders’ tax basis in our common stock. A “disproportionate distribution” is a distribution or a series of distributions, including deemed distributions, that has the effect of the receipt of cash or other property by some stockholders or holders of debt instruments convertible into stock and an increase in the proportionate interest of other stockholders in a company’s assets or earnings and profits. It is unclear whether the fact that we have outstanding options and certain other equity-based awards could cause the receipt of subscription rights to be part of a disproportionate distribution. Please see “Material U.S. Federal Income Tax Consequences” for further information on the treatment of the rights offering.

The rights offering could impair or limit our net operating loss carry forwards.

As of December 31, 2018, we had net operating loss (which we refer to as “NOL”) carryforwards of approximately \$11.1 million for U.S. federal income tax purposes. Under the Code, an “ownership change” with respect to a corporation can significantly limit the amount of pre-ownership change NOLs and certain other tax assets that the corporation may utilize after the ownership change to offset future taxable income, possibly reducing the amount of cash available to the corporation to satisfy its obligations. An ownership change generally should occur if the aggregate stock ownership of holders of at least 5% of our stock increases by more than 50 percentage points over the preceding three-year period. The purchase of shares of our common stock pursuant to the rights offering may trigger an ownership change with respect to our stock.

We may amend or modify the terms of the rights offering at any time prior to the expiration of the rights offering in our sole discretion.

Our board of directors reserves the right to amend or modify the terms of the rights offering in its sole discretion. Although we do not presently intend to do so, we may choose to amend or modify the terms of the rights offering for any reason, including, without limitation, in order to increase participation in the rights offering. Such amendments or modifications may include a change in the subscription price, although no such change is presently contemplated. If we should make any fundamental changes to the terms of the rights offering set forth in this prospectus, we will file a post-effective amendment to the registration statement in which this prospectus is included, offer rights holders who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any subscription payments advanced by such rights holder and recirculate an updated prospectus after the post-effective amendment is declared effective by the SEC. In addition, upon such event, we may extend the expiration date of the rights offering to allow rights holders ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to the rights offering and the new expiration date. The terms of the rights offering cannot be modified or amended after the expiration date of the rights offering.

There is no back-stop or standby commitment in place to purchase rights or shares that are not purchased in the offering.

Chardan and Oak Ridge, as the dealer-managers of this rights offering, are not acting as placement agents for the rights or the shares of common stock issuable upon exercise of the basic subscription or over subscription rights. There is no back-stop or standby commitment in place to purchase rights or shares that are not purchased in the offering. The dealer-managers’ services to us in this connection cannot be construed as any assurance that this offering will be successful. Chardan and Oak Ridge do not make any recommendation with respect to whether you should exercise the basic subscription or over subscription rights or to otherwise invest in our company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- 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.

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

USE OF PROCEEDS

Assuming full participation in the rights offering, we estimate that the net proceeds from the rights offering will be approximately \$ 14,669,161 , after deducting expenses related to this offering payable by us estimated at approximately \$ 1,330,839 , including dealer-manager fees.

Assuming all the shares of common stock offered are sold, the gross proceeds to us from the rights offering will be up to approximately \$16 million. We are conducting the rights offering to raise capital that we intend to use for strategic acquisitions and general corporate purposes, which may include funding our growth plan, working capital and capital expenditures and funding our operations until we become cash flow positive from operations (excluding capital expenditures).

As of the date hereof, we have identified and are exploring a potential acquisition pursuant to a non-binding letter of intent. If our negotiations are successful and the transaction is completed, we would anticipate allocating approximately \$7 million of the proceeds of this offering to complete the acquisition. There can be no assurances that the acquisition will be completed.

We have broad discretion in determining how the proceeds of this offering will be used, and our discretion is not limited by the aforementioned possible uses. Our board of directors believes the flexibility in application of the net proceeds is prudent.

If we fail to raise capital by mid-July 2019, we would expect to have to significantly decrease our growth plans and operating expenses, which will curtail the progress of our business.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of March 31, 2019, on an actual basis and pro forma on an “as adjusted” basis to give effect to the rights offering, assuming gross proceeds from the rights offering of \$16 million and before deducting the estimated offering expenses. You should read this table together with the information under the heading “Management’s Discussion and Analysis of Results of Operations and Financial Condition” included in our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, which is incorporated herein by reference. **We are unable to predict the actual level of participation in the offerings.**

	As of March 31, 2019	
	Actual	As Adjusted Assuming 100% Participation (1)
Cash	\$ 562,089	\$ 16,562,089
LONG-TERM LIABILITIES		
Long-term debt, including current portion	6,772,324	6,772,324
Convertible notes payable, including current portion	3,000,000	3,000,000
Redeemable preferred stock: no par value, 62,876 shares issued and outstanding	683,607	683,607
TOTAL LONG-TERM LIABILITIES	10,455,931	10,455,931
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 3,731,786 shares	374	1,517
Additional paid in capital	65,126,235	81,125,092
Accumulated other comprehensive loss	(164,283)	(164,283)
Accumulated deficit	(59,025,540)	(59,025,540)
Total Stockholders’ Equity	5,936,786	21,936,786
Non-Controlling Interests	1,026,538	1,026,538
TOTAL EQUITY	6,963,324	22,963,324
TOTAL CAPITALIZATION	\$ 17,419,255	\$ 33,419,255

(1) Assumes the rights offering is fully subscribed for, of which no assurances can be given.

DILUTION

Purchasers of our common stock in the rights offering will experience an immediate and substantial dilution of the net tangible book value of the shares purchased. At March 31, 2019, we had a net tangible book value of approximately \$(9,440,300), or \$(2.53) per share of our common stock. After giving effect to the sale of 11,428,571 shares of our common stock in the rights offering and after deducting transaction and offering expenses, the pro forma net tangible book value at March 31, 2019, attributable to common stockholders would have been \$ 5,326,627 or \$ 0.35 per share of our common stock. This amount represents an immediate dilution to purchasers in the rights offering of \$ 1.08 per share of our common stock. The following table illustrates this per-share dilution.

Subscription price	\$ 1.40
Net tangible book value per share prior to the rights offering	\$ (2.53)
Increase per share attributable to the rights offering	\$ 2.89
Pro forma net tangible book value per share after the rights offering	\$ 0.35
Dilution in net tangible book value per share to purchasers	\$ 1.08

THE RIGHTS OFFERING

Please read the following information concerning the subscription rights in conjunction with the statements under “Description of Subscription Rights” in this prospectus, which the following information supplements.

The Subscription Rights

We are distributing to the holders of our common stock and certain holders of warrants to purchase shares of our common stock as of the record date non-transferable subscription rights to purchase shares of our common stock. The subscription price of \$[] per full share was determined by our board of directors after a review of recent historical trading prices of our common stock and the closing sales price of our common stock on [], 2019, the last trading day prior to determining the subscription price. The closing sales price of our common stock on [], 2019, was \$[]. The subscription rights will entitle the holders of our common stock and certain holders of warrants to purchase shares of our common stock as of the record date for the rights offering to purchase up to an aggregate of approximately 11,428,571 shares of our common stock for an aggregate purchase price up to approximately \$16 million.

Each holder of our common stock and certain holders of warrants to purchase shares of our common stock as of the record date for the rights offering will receive three subscription rights for each share of our common stock and each share of our common stock underlying warrants owned by such holder as of 4:00 p.m., Eastern time, on the record date. Each subscription right will entitle the rights holder to a basic subscription privilege and an over-subscription privilege, which are described below.

Basic Subscription Privilege

With your basic subscription privilege, you may purchase one share of our common stock per subscription right, upon delivery of the required documents and payment of the subscription price of \$[] per full share, prior to the expiration of the rights offering. You may exercise all or a portion of your basic subscription privilege. However, if you exercise less than your full basic subscription privilege, you will not be entitled to purchase shares pursuant to your over-subscription privilege.

Fractional shares of our common stock resulting from the exercise of the basic subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We will deliver certificates representing shares of our common stock purchased with the basic subscription privilege as soon as practicable after the rights offering has expired.

Over-Subscription Privilege

If you fully exercise your basic subscription privilege and other rights holders do not fully exercise their basic subscription privileges, you may also exercise an over-subscription right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among rights holders exercising this over-subscription right. To the extent the number of the unsubscribed shares are not sufficient to satisfy all of the properly exercised over-subscription rights requests, then the available shares will be prorated among those rights holders who properly exercised over-subscription rights based on the number of shares each rights holder subscribed for under the basic subscription right. If this pro rata allocation results in any rights holder receiving a greater number of shares of common stock than the rights holder subscribed for pursuant to the exercise of the over-subscription privilege, then such rights holder will be allocated only that number of shares for which the rights holder oversubscribed, and the remaining shares of common stock will be allocated among all other rights holders exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the rights offering. Because we will not know the total number of unsubscribed shares prior to the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock available to you, assuming that no rights holder other than you has purchased any shares of our common stock pursuant to their basic subscription privilege and over-subscription privilege.

We can provide no assurances that you will actually be entitled to purchase the number of shares issuable upon the exercise of your over-subscription privilege in full at the expiration of the rights offering. We will not be able to satisfy your exercise of the over-subscription privilege if all of the rights holders exercise their basic subscription privileges in full, and we will only honor an over-subscription privilege to the extent sufficient shares of our common stock are available following the exercise of subscription rights under the basic subscription privileges.

- To the extent the aggregate subscription price of the maximum number of unsubscribed shares available to you pursuant to the over-subscription privilege is less than the amount you actually paid in connection with the exercise of the over-subscription privilege, you will be allocated only the number of unsubscribed shares available to you, and any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.
- To the extent the rights holders properly exercise their over-subscription privileges for an aggregate number of shares that is less than the number of the unsubscribed shares, you will be allocated the number of unsubscribed shares for which you actually paid in connection with the over-subscription privilege.

Fractional shares of our common stock resulting from the exercise of the over-subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We will deliver certificates representing shares of our common stock purchased with the over-subscription privilege as soon as practicable after the expiration of the rights offering.

Limitation on Exercise of Basic Subscription Privilege and Over-Subscription Privilege

In the event that the exercise by a rights holder of the basic subscription privilege or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company's ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Code and rules promulgated by the IRS, the Company may, but is under no obligation to, reduce the exercise by such rights holder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company's ability to use the Tax Attributes.

Reasons for the Rights Offering

In authorizing the rights offering, our board of directors carefully evaluated our need for liquidity, financial flexibility and additional capital. Our board of directors also considered several alternative capital raising methods prior to concluding that the rights offering was the appropriate alternative under the circumstances. We are conducting the rights offering to raise capital that we intend to use for general corporate purposes, which may include funding our growth plan, working capital and capital expenditures and funding our operations until we become cash flow positive from operations (excluding capital expenditures). Although we believe that the rights offering will strengthen our financial condition, our board of directors is making no recommendation regarding your exercise of the subscription rights.

Method of Exercising Subscription Rights

The exercise of subscription rights is irrevocable and may not be cancelled or modified, even if the rights offering is extended by our board of directors. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced.

You may exercise your subscription rights as follows:

Subscription by Registered Holders

You may exercise your subscription rights by properly completing and executing the rights certificate together with any required signature guarantees and forwarding it, together with your full subscription payment, to the subscription agent at the address set forth below under “Subscription Agent” prior to the expiration of the rights offering.

Subscription by DTC Participants

We expect that the exercise of your subscription rights may be made through the facilities of DTC. If your subscription rights are held of record through DTC, you may exercise your subscription rights by instructing DTC, or having your broker instruct DTC, to transfer your subscription rights from your account to the account of the subscription agent, together with certification as to the aggregate number of subscription rights you are exercising and the number of shares of our common stock you are subscribing for under your basic subscription privilege and your over-subscription privilege, if any, and your full subscription payment.

Subscription by Beneficial Owners

If you are a beneficial owner of shares of our common stock that are registered in the name of a broker, custodian bank, trustee or other nominee, or if you hold our common stock certificates and would prefer to have an institution conduct the transaction relating to the subscription rights on your behalf, you should instruct your broker, custodian bank, trustee or other nominee or institution to exercise your subscription rights and deliver all documents and payment on your behalf prior to 5:00 p.m., Eastern time, on [____], 2019, which is the expiration of the rights offering. Your subscription rights will not be considered exercised unless the subscription agent receives from you, your broker, custodian bank, trustee or other nominee or institution, as the case may be, all of the required documents and your full subscription payment prior to 5:00 p.m., Eastern time, on [____], 2019.

Payment Method

Payments must be made in full in U.S. currency by:

- check or bank draft payable to Securities Transfer Corporation, the subscription agent, drawn upon a U.S. bank;
- postal, telegraphic or express money order payable to the subscription agent; or
- wire transfer of immediately available funds to accounts maintained by the subscription agent.

Payments received after the expiration of the rights offering will not be honored, and the subscription agent will return your subscription payment to you, without interest, as soon as practicable. The subscription agent will be deemed to receive payment upon:

- clearance of any uncertified check deposited by the subscription agent;
- receipt by the subscription agent of any certified check bank draft drawn upon a U.S. bank;
- receipt by the subscription agent of any postal, telegraphic or express money order; or
- receipt of collected funds in the subscription agent’s account.

If you elect to exercise your subscription rights, we urge you to consider using a certified or cashier’s check, money order or wire transfer of funds to ensure that the subscription agent receives your funds prior to the expiration of the rights offering. If you send an uncertified check, payment will not be deemed to have been received by the subscription agent until the check has cleared, but if you send a certified check bank draft drawn upon a U.S. bank, a postal, telegraphic or express money order or wire or transfer funds directly to the subscription agent’s account, payment will be deemed to have been received by the subscription agent immediately upon receipt of such instruments and wire or transfer.

Any personal check used to pay for shares of our common stock in the rights offering must clear the appropriate financial institutions prior to 5:00 p.m., Eastern time, on [____], 2019, which is the expiration of the rights offering. The clearinghouse may require five or more business days. Accordingly, rights holders that wish to pay the subscription price by means of an uncertified personal check are urged to make payment sufficiently in advance of the expiration of the rights offering to ensure such payment is received and clears by such date.

You should read the instruction letter accompanying the rights certificate carefully and strictly follow it. **DO NOT SEND RIGHTS CERTIFICATES OR PAYMENTS TO US.** Except as described below under “Guaranteed Delivery Procedures,” we will not consider your subscription received until the subscription agent has received delivery of a properly completed and duly executed rights certificate and payment of the full subscription amount. The risk of delivery of all documents and payments is borne by you or your nominee, and not by the subscription agent or us.

The method of delivery of rights certificates and payment of the subscription amount to the subscription agent will be at the risk of the rights holders. If sent by mail, we recommend that you send those certificates and payments by overnight courier or by registered mail, properly insured, with return receipt requested, and that a sufficient number of days be allowed to ensure delivery to the subscription agent and clearance of payment prior to the expiration of the rights offering.

Unless a rights certificate provides that the shares of our common stock are to be delivered to the record holder of such rights or such certificate is submitted for the account of a bank or a broker, signatures on such rights certificate must be guaranteed by an “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act, subject to any standards and procedures adopted by the subscription agent.

Missing or Incomplete Subscription Information

If you do not indicate the number of subscription rights being exercised, or the subscription agent does not receive the full subscription payment for the number of subscription rights that you indicate are being exercised, then you will be deemed to have exercised the maximum number of subscription rights that may be exercised with the aggregate subscription payment you delivered to the subscription agent. If we do not apply your full subscription payment to your purchase of shares of our common stock, any excess subscription payment received by the subscription agent will be returned to you, without interest, as soon as practicable.

Expiration Date and Amendments

The subscription period during which you may exercise your subscription rights expires at 5:00 p.m., Eastern time, on [____], 2019, which is the expiration of the rights offering. If you do not exercise your subscription rights prior to that time, your subscription rights will expire and will no longer be exercisable. We will not be required to issue shares of our common stock to you if the subscription agent receives your rights certificate or your subscription payment after that time, regardless of when the rights certificate and subscription payment were sent, unless you send the documents in compliance with the guaranteed delivery procedures described below. We may extend the expiration of the rights offering for a period not to exceed 30 days by giving oral or written notice to the subscription agent prior to the expiration date of the rights offering, although we do not presently intend to do so. If we elect to extend the expiration of the rights offering, we will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced expiration time of the rights offering. We will extend the duration of the rights offering as required by applicable law or regulation and may choose to extend it if we decide to give investors more time to exercise their subscription rights in the rights offering. If we elect to extend the rights offering for a period of more than 30 days, then rights holders who have subscribed for rights may cancel their subscriptions and receive a refund of all subscription payments advanced.

Our board of directors also reserves the right to amend or modify the terms of the rights offering. If we should make any fundamental changes to the terms of the rights offering set forth in this prospectus, we will file a post-effective amendment to the registration statement in which this prospectus is included, offer rights holders who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any subscription payments advanced by such rights holder and recirculate an updated prospectus after the post-effective amendment is declared effective by the SEC. In addition, upon such event, we may extend the expiration date of the rights offering to allow rights holders ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to the rights offering and the new expiration date. The terms of the rights offering cannot be modified or amended after the expiration date of the rights offering. Although we do not presently intend to do so, we may choose to amend or modify the terms of the rights offering for any reason, including, without limitation, in order to increase participation in the rights offering. Such amendments or modifications may include a change in the subscription price, although no such change is presently contemplated.

Subscription Price

In determining the subscription price, our board of directors considered a number of factors, including: the likely cost of capital from other sources, the price at which our stockholders and certain warrant holders might be willing to participate in the rights offering, historical and current trading prices for our common stock, our need for liquidity and capital and the desire to provide an opportunity to our stockholders and certain warrant holders to participate in the rights offering on a pro rata basis.

In conjunction with its review of these factors, our board of directors also reviewed a range of discounts to market value represented by the subscription prices in various prior rights offerings of public companies. The subscription price was established at a price of \$[_____] per full share. The subscription price is not necessarily related to our book value, net worth or any other established criteria of value and may or may not be considered the fair value of our common stock to be offered in the rights offering. We cannot assure you that the market price of our common stock will not decline during or after the rights offering. We also cannot assure you that you will be able to sell shares of our common stock purchased during the rights offering at a price equal to or greater than the subscription price. We urge you to obtain a current quote for our common stock before exercising your subscription rights.

Conditions, Withdrawal and Termination

We reserve the right to withdraw the rights offering prior to the expiration of the rights offering for any reason. We may terminate the rights offering, in whole or in part, if at any time before completion of the rights offering there is any judgment, order, decree, injunction, statute, law or regulation entered, enacted, amended or held to be applicable to the rights offering that in the sole judgment of our board of directors would or might make the rights offering or its completion, whether in whole or in part, illegal or otherwise restrict or prohibit completion of the rights offering. We may waive any of these conditions and choose to proceed with the rights offering even if one or more of these events occur. If we terminate, cancel or withdraw the rights offering, in whole or in part, we will issue a press release notifying the rights holders of such event, all affected subscription rights will expire without value, and all excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable following such termination, cancellation or withdrawal.

Cancellation Rights

Our board of directors may cancel the rights offering at any time prior to the time the rights offering expires for any reason. If we cancel the rights offering, we will issue a press release notifying rights holders of the cancellation and all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

Subscription Agent

The subscription agent for this offering is Securities Transfer Corporation. The address to which subscription documents, rights certificates, Notices of Guaranteed Delivery and subscription payments other than wire transfers should be mailed or delivered is 2901 N Dallas Parkway, Suite 380, Plano, Texas 75093.

If you deliver your subscription documents, rights certificate, Notice of Guaranteed Delivery or subscription payment in a manner different than that described in this prospectus, then we may not honor the exercise of your subscription rights.

You should direct any questions or requests for assistance concerning the method of subscribing for the shares of our common stock or for additional copies of this prospectus to the information agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stctransfer.com.

Fees and Expenses

We will pay all fees charged by the subscription agent and the information agent in connection with the rights offering. We will also pay commissions and fees of the dealer-managers. You are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of the subscription rights.

No Fractional Shares

We will not issue fractional shares or cash in lieu of fractional shares. Fractional shares of our common stock resulting from the exercise of the basic subscription privileges and the over-subscription privileges will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

Medallion Guarantee May Be Required

Your signature on each rights certificate must be guaranteed by an eligible institution, such as a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), or a commercial bank or trust company having an office or correspondent in the United States, subject to standards and procedures adopted by the subscription agent, unless:

- your rights certificate provides that shares are to be delivered to you as record holder of those subscription rights; or
- you are an eligible institution.

You can obtain a signature guarantee from a financial institution—such as a commercial bank, savings bank, credit union or broker dealer—that participates in one of the Medallion signature guarantee programs. The three Medallion signature guarantee programs are the following:

- Securities Transfer Agents Medallion Program (STAMP), whose participants include more than 7,000 U.S. and Canadian financial institutions;
- Stock Exchanges Medallion Program (SEMP), whose participants include the regional stock exchange member firms and clearing and trust companies; and
- New York Stock Exchange Medallion Signature Program (MSP), whose participants include NYSE member firms.

If a financial institution is not a member of a recognized Medallion signature guarantee program, it would not be able to provide signature guarantees. Also, if you are not a customer of a participating financial institution, it is likely the financial institution will not guarantee your signature. Therefore, the best source of a Medallion signature guarantee would be a bank, savings and loan association, brokerage firm or credit union with whom you do business. The participating financial institution will use a Medallion imprint or stamp to guarantee your signature, indicating that the financial institution is a member of a Medallion signature guarantee program and is an acceptable signature guarantor.

Notice to Nominees

If you are a broker, custodian bank, trustee or other nominee holder that holds shares of our common stock for the account of others on the record date, you should notify the beneficial owners of the shares for whom you are the nominee of the rights offering as soon as possible to learn their intentions with respect to exercising their subscription rights. You should obtain instructions from the beneficial owner, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should complete the appropriate rights certificate and submit it to the subscription agent with the proper subscription payment. If you hold shares of our common stock for the account(s) of more than one beneficial owner, you may exercise the number of subscription rights to which all beneficial owners in the aggregate otherwise would have been entitled had they been direct holders of our common stock on the record date, *provided* that you, as a nominee record holder, make a proper showing to the subscription agent by submitting the form entitled “Nominee Holder Certification” which is provided with your rights offering materials. If you did not receive this form, you should contact the subscription agent to request a copy.

Beneficial Owners

If you are a beneficial owner of shares of our common stock or will receive your subscription rights through a broker, custodian bank, trustee or other nominee, we will ask your broker, custodian bank, trustee or other nominee to notify you of the rights offering. If you wish to exercise your subscription rights, you will need to have your broker, custodian bank, trustee or other nominee act for you. If you hold certificates of our common stock directly and would prefer to have your broker, custodian bank, trustee or other nominee act for you, you should contact your nominee and request it to effect the transactions for you. To indicate your decision with respect to your subscription rights, you should complete and return to your broker, custodian bank, trustee or other nominee the form entitled "Beneficial Owners Election Form." You should receive this form from your broker, custodian bank, trustee or other nominee with the other rights offering materials. If you wish to obtain a separate rights certificate, you should contact the nominee as soon as possible and request that a separate rights certificate be issued to you. You should contact your broker, custodian bank, trustee or other nominee if you do not receive this form, but you believe you are entitled to participate in the rights offering. We are not responsible if you do not receive the form from your broker, custodian bank or nominee or if you receive it without sufficient time to respond.

Guaranteed Delivery Procedures

If you wish to exercise subscription rights, but you do not have sufficient time to deliver the rights certificate evidencing your subscription rights to the subscription agent prior to the expiration of the rights offering, you may exercise your subscription rights by the following guaranteed delivery procedures:

- deliver to the subscription agent prior to the expiration of the rights offering the subscription payment for each share you elected to purchase pursuant to the exercise of subscription rights in the manner set forth above under "Payment Method;"
- deliver to the subscription agent prior to the expiration of the rights offering the form entitled "Notice of Guaranteed Delivery;" and
- deliver the properly completed rights certificate evidencing your subscription rights being exercised and the related Nominee Holder Certification, if applicable, with any required signatures guaranteed, to the subscription agent within three (3) business days following the date you submit your Notice of Guaranteed Delivery.

Your Notice of Guaranteed Delivery must be delivered in substantially the same form provided with the "Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates," which will be distributed to you with your rights certificate. Your Notice of Guaranteed Delivery must include a signature guarantee from an eligible institution acceptable to the subscription agent. A form of that guarantee is included with the Notice of Guaranteed Delivery.

In your Notice of Guaranteed Delivery, you must provide:

- your name;
- the number of subscription rights represented by your rights certificate, the number of shares of our common stock for which you are subscribing under your basic subscription privilege, and the number of shares of our common stock for which you are subscribing under your over-subscription privilege, if any; and
- your guarantee that you will deliver to the subscription agent a rights certificate evidencing the subscription rights you are exercising within three (3) business days following the date the subscription agent receives your Notice of Guaranteed Delivery.

You may deliver your Notice of Guaranteed Delivery to the subscription agent in the same manner as your rights certificate at the address set forth above under "Subscription Agent." You may alternatively transmit your Notice of Guaranteed Delivery to the subscription agent by facsimile transmission at (469) 633-0088. To confirm facsimile deliveries, you may call (469) 633-0101.

The information agent will send you additional copies of the Notice of Guaranteed Delivery form if you need them. You should call Securities Transfer Corporation at (469) 633-0101 to request additional copies of the Notice of Guaranteed Delivery form.

Transferability of Subscription Rights

The subscription rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your subscription rights to anyone. The subscription rights will not be listed for trading on Nasdaq or on any stock exchange or market or on the OTC Bulletin Board.

Validity of Subscriptions

We will resolve all questions regarding the validity and form of the exercise of your subscription rights, including time of receipt and eligibility to participate in the rights offering. In resolving all such questions, we will review the relevant facts, consult with our legal advisors and we may request input from the relevant parties. Our determination will be final and binding. Once made, subscriptions and directions are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights and even if the rights offering is extended by our board of directors, and we will not accept any alternative, conditional or contingent subscriptions or directions. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced. We reserve the absolute right to reject any subscriptions or directions not properly submitted or the acceptance of which would be unlawful. You must resolve any irregularities in connection with your subscriptions before the subscription period expires, unless waived by us in our sole discretion. Neither we nor the subscription agent shall be under any duty to notify you or your representative of defects in your subscriptions. A subscription will be considered accepted, subject to our right to withdraw or terminate the rights offering, only when a properly completed and duly executed rights certificate and any other required documents and the full subscription payment have been received by the subscription agent. Our interpretations of the terms and conditions of the rights offering will be final and binding.

Escrow Arrangements; Return of Funds

The subscription agent will hold funds received in payment for shares of our common stock in a segregated account pending completion of the rights offering. The subscription agent will hold this money in escrow until the rights offering is completed or is withdrawn and canceled. If the rights offering is canceled for any reason, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable. In addition, all subscription payments received by the subscription agent will be returned, without interest, as soon as practicable, if subscribers decide to cancel their subscription rights in the event that we extend the rights offering for a period of more than 30 days after the expiration date or if there is a fundamental change to the terms of the rights offering.

Stockholder Rights

You will have no rights as a holder of the shares of our common stock you purchase in the rights offering, if any, until certificates representing the shares of our common stock are issued to you. You will have no right to revoke your subscriptions after you deliver your completed rights certificate, the full subscription payment and any other required documents to the subscription agent.

Foreign Stockholders

We will not mail this prospectus or rights certificates to stockholders with addresses that are outside the United States or that have an army post office or foreign post office address. The subscription agent will hold these rights certificates for their account. To exercise subscription rights, our foreign stockholders must notify the subscription agent prior to 11:00 a.m., Eastern time, at least three (3) business days prior to the expiration of the rights offering and demonstrate to the satisfaction of the subscription agent that the exercise of such subscription rights does not violate the laws of the jurisdiction of such stockholder.

No Revocation or Change

Once you submit the form of rights certificate to exercise any subscription rights, you are not allowed to revoke or change the exercise or request a refund of monies paid. All exercises of subscription rights are irrevocable, even if you later learn information that you consider to be unfavorable to the exercise of your subscription rights and even if the rights offering is extended by our board of directors. However, if we amend the rights offering to allow for an extension of the rights offering for a period of more than 30 days or make a fundamental change to the terms of the rights offering set forth in this prospectus, you may cancel your subscription and receive a refund of any money you have advanced. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at the subscription price.

Regulatory Limitation

We will not be required to issue to you shares of our common stock pursuant to the rights offering if, in our opinion, you are required to obtain prior clearance or approval from any state or federal regulatory authorities to own or control such shares and if, at the time the rights offering expires, you have not obtained such clearance or approval.

U.S. Federal Income Tax Treatment of Rights Distribution

We believe that our distribution and any stockholder's receipt and exercise of these subscription rights to purchase shares of our common stock generally should not be taxable to our stockholders for the reasons described below in "Material U.S. Federal Income Tax Consequences."

No Recommendation to Rights Holders

Our board of directors is making no recommendation regarding your exercise of the subscription rights. You are urged to make your decision based on your own assessment of our business and the rights offering. Please see "Risk Factors" for a discussion of some of the risks involved in investing in our common stock.

Listing

The subscription rights will not be listed for trading on Nasdaq or any stock exchange or market or on the OTC Bulletin Board. The shares of our common stock issuable upon exercise of the subscription rights will trade on Nasdaq under the symbol "BURG."

Shares of Our Common Stock Outstanding After the Rights Offering

Assuming no warrants or convertible debt are exercised prior to the expiration of the rights offering, we expect approximately 15,367,594 shares of our common stock will be outstanding immediately after completion of the rights offering.

Other Matters

We are not making the rights offering in any state or other jurisdiction in which it is unlawful to do so, nor are we distributing or accepting any offers to purchase any shares of our common stock from rights holders who are residents of those states or other jurisdictions or who are otherwise prohibited by federal or state laws or regulations from accepting or exercising the subscription rights. We may delay the commencement of the rights offering in those states or other jurisdictions, or change the terms of the rights offering, in whole or in part, in order to comply with the securities laws or other legal requirements of those states or other jurisdictions. Subject to state securities laws and regulations, we also have the discretion to delay allocation and distribution of any shares you may elect to purchase by exercise of your subscription privileges in order to comply with state securities laws. We may decline to make modifications to the terms of the rights offering requested by those states or other jurisdictions, in which case, if you are a resident in those states or jurisdictions or if you are otherwise prohibited by federal or state laws or regulations from accepting or exercising the subscription rights, you will not be eligible to participate in the rights offering. However, we are not currently aware of any states or jurisdictions that would preclude participation in the rights offering.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

This section describes the material U.S. federal income tax consequences, as of the date of this prospectus, to U.S. holders (as defined below) of the receipt and exercise (or expiration) of the subscription rights acquired through the rights offering and the receipt, ownership and sale of the shares of common stock received upon exercise of the basic subscription privilege or, if applicable, the over-subscription privilege. Unless otherwise noted below, the following discussion is the opinion of Libertas Law Group, Inc., our U.S. tax counsel, insofar as such discussion relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters.

This section applies to you only if you are a U.S. holder (as defined below), acquire your subscription rights in the rights offering and hold your subscription rights or shares of common stock issued to you upon exercise of the basic subscription privilege or, if applicable, the over-subscription privilege as capital assets within the meaning of Section 1221 of the Code. This section does not apply to you if you are not a U.S. holder or if you are a member of a special class of holders subject to special rules, including, without limitation, financial institutions, regulated investment companies, real estate investment trusts, holders who are dealers in securities or foreign currency, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, tax-exempt organizations, insurance companies, persons liable for alternative minimum tax, holders who hold common stock as part of a hedge, straddle, conversion, constructive sale or other integrated security transaction, holders whose functional currency is not the U.S. dollar, or holders who received our common stock on which the subscription rights are distributed in satisfaction of our indebtedness.

This section is based upon the Code, the Treasury Regulations promulgated thereunder, legislative history, judicial authority and published rulings, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the IRS, so as to result in U.S. federal income tax consequences different from those discussed below. The discussion that follows neither binds nor precludes the IRS from adopting a position contrary to that expressed in this prospectus, and we cannot assure you that such a contrary position could not be asserted successfully by the IRS or adopted by a court if the position was litigated. We have not sought, and will not seek, a ruling from the IRS regarding the rights offering. This section does not address any tax consequences under foreign, state or local tax laws.

You are a U.S. holder if you are a beneficial owner of subscription rights or common stock and you are:

- An individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or meets the substantial presence test under section 7701(b) of the Code;
- A corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized, or treated as created or organized, in or under the laws of the United States, any state thereof or the District of Columbia;
- An estate whose income is subject to U.S. federal income tax regardless of its source; or
- A trust (a) if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) receives the subscription rights or holds the common stock received upon exercise of the subscription rights or, if applicable, the over-subscription privilege, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Such a partner or partnership is urged to consult its own tax advisor as to the U.S. federal income tax consequences of receiving and exercising the subscription rights and acquiring, holding or disposing of our shares of common stock.

EACH RIGHTS HOLDER IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE SPECIFIC FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSIDERATIONS OF THE RECEIPT AND EXERCISE OF SUBSCRIPTION RIGHTS AND THE RECEIPT, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

Receipt, Exercise and Expiration of the Subscription Rights; Tax Basis and Holding Period of Shares Received upon Exercise of the Subscription Rights

Receipt of the Subscription Rights

The U.S. federal income tax consequences of the rights offering will depend on whether the rights offering is considered part of a “disproportionate distribution” within the meaning of section 305 of the Code. Your receipt of the distribution of subscription rights in the rights offering should be treated as a nontaxable distribution with respect to your existing shares of common stock for U.S. federal income tax purposes provided that the rights offering is not part of a disproportionate distribution. A disproportionate distribution is a distribution or a series of distributions, including deemed distributions, from a corporation that has the effect of the receipt of cash or other property by some stockholders and an increase in the proportionate interest of other stockholders in the corporation’s assets or earnings and profits. For purposes of the above, “stockholder” generally includes holders of rights to acquire stock (such as warrants and options) and holders of convertible securities. The distribution of rights should not result in the receipt by any stockholders of cash or property from the Company. Accordingly, we believe and intend to take the position, and the following discussion assumes (unless explicitly stated otherwise), that the subscription rights issued in the rights offering are not part of a disproportionate distribution and, thus, we will not treat the distribution of the subscription rights to you as a dividend of our earnings and profits that is taxable to you for U.S. federal income tax purposes. However, the disproportionate distribution tax rules are complex, the determination is highly dependent on the existence or non-existence of certain facts and the interpretation of such facts or absence thereof, and, as a result, their application is uncertain. Further, the determination of whether the distribution of the subscription rights for our common stock results in the receipt of a dividend depends, in part, on the presence of certain facts and the determination of whether such facts exist cannot be made at the time of the rights offering. Finally, it is possible that the IRS, which is not bound by our determination, could challenge our position. For a discussion of the U.S. federal income tax consequences to you if the rights offering were to be considered part of a disproportionate distribution, please read “Consequences if the Rights Offering Is Considered Part of a Disproportionate Distribution” below.

Tax Basis in the Subscription Rights

If the fair market value of the subscription rights you receive is less than 15% of the fair market value of your common stock on the date you receive your subscription rights, your subscription rights will be allocated a zero tax basis for U.S. federal income tax purposes, unless you elect to allocate tax basis between your existing common stock and your subscription rights in proportion to the relative fair market values of the existing common stock and your subscription rights determined on the date of receipt of your subscription rights. If you choose to allocate tax basis between your existing common stock and your subscription rights, you must make this election on a statement included with your tax return for the taxable year in which you receive your subscription rights. Such an election is irrevocable.

If the fair market value of your subscription rights is 15% or more of the fair market value of your existing common stock on the date you receive your subscription rights, then you must allocate your tax basis in your existing common stock between your existing common stock and your subscription rights in proportion to the relative fair market values determined on the date you receive your subscription rights. The fair market value of the subscription rights on the date the subscription rights will be distributed is uncertain, and we have not obtained, and do not intend to obtain, an appraisal of the fair market value of the subscription rights on that date. In determining the fair market value of the subscription rights, you should consider all relevant facts and circumstances, including any difference between the subscription price of the subscription rights and the trading price of our common stock on the date that the subscription rights are distributed, the length of the period during which the subscription rights may be exercised and the fact that the subscription rights are non-transferable.

Exercise and Expiration of the Subscription Rights

You should not recognize any gain or loss upon the exercise of subscription rights received in the rights offering, and the tax basis of the shares of our common stock acquired through exercise of the subscription rights will equal the sum of the subscription price for the shares and your tax basis, if any, in the subscription rights. The holding period for the shares of our common stock acquired through exercise of the subscription rights will begin on the date the subscription rights are exercised.

If you allow subscription rights received in the rights offering to expire, you generally will not recognize any gain or loss upon the expiration of the subscription rights. If you have tax basis in the subscription rights and you allow the subscription rights to expire, the tax basis of our common stock owned by you with respect to which such subscription rights were distributed will be restored to the tax basis of such common stock immediately before the receipt of the subscription rights in the rights offering.

If, at the time of the receipt or exercise of a subscription right distributed to you in the rights offering, you no longer hold the share of our common stock with respect to which such subscription right is received, certain aspects of the tax treatment of the exercise of the subscription right are unclear, including (1) the allocation of tax basis between the common stock previously sold and the subscription right, (2) the impact of such allocation on the amount and timing of gain or loss recognized with respect to the common stock previously sold, and (3) the impact of such allocation on the tax basis of the share of common stock acquired through the exercise of the subscription right. If you exercise a subscription right distributed to you in the rights offering after disposing of the common stock with respect to which the subscription right is received, you should consult your tax advisor as to these uncertainties.

Consequences if the Rights Offering Is Considered Part of a Disproportionate Distribution

If the rights offering is considered part of a disproportionate distribution, the distribution of subscription rights would be taxable to you as a dividend to the extent that the fair market value of the subscription rights you receive is allocable to our current and accumulated earnings and profits for the taxable year in which the subscription rights are distributed. We cannot determine prior to the consummation of the rights offering the extent to which we will have sufficient current and accumulated earnings and profits to cause any distribution to be treated as a dividend. Dividends received by corporate holders of our common stock are taxable at ordinary corporate tax rates subject to any applicable dividends-received deduction. Subject to the discussion of the additional Medicare tax below, dividends received by noncorporate holders of our common stock in taxable years beginning on or after January 1, 2013, are taxed at the holder's capital gain tax rate (a maximum rate of 20%), provided that the holder meets applicable holding period and other requirements. Any distributions in excess of our current and accumulated earnings and profits will be treated as a tax-free return of basis, and any further distributions in excess of your tax basis in our common stock will be treated as gain from the sale or exchange of our common stock. Regardless of whether the distribution of subscription rights is treated as a dividend, as a tax-free return of basis or as gain from the sale or exchange of our common stock, your tax basis in the subscription rights you receive will be their fair market value.

If the receipt of subscription rights is taxable to you as described in the previous paragraph and you allow subscription rights received in the rights offering to expire, you should recognize a short-term capital loss equal to your tax basis in the expired subscription rights. Your ability to use any capital loss is subject to certain limitations. You will not recognize any gain or loss upon the exercise of the subscription rights, and the tax basis of the shares of our common stock acquired through exercise of the subscription rights will equal the sum of the subscription price for the shares and your tax basis in the subscription rights. The holding period for the shares of our common stock acquired through exercise of the subscription rights will begin on the date the subscription rights are exercised.

U.S. holders who are individuals are subject to an additional 3.8% Medicare tax (the "additional Medicare tax") on their "net investment income" to the extent that their net investment income, when added to their other modified adjusted gross income, exceeds \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). Certain trusts and estates that are U.S. holders are also subject to the additional Medicare tax. "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes dividends and capital gains. The additional Medicare tax is determined in a different manner than the regular income tax. You are urged to consult your own tax advisor regarding the implications of the additional Medicare tax.

Sale of Shares of Our Common Stock and Receipt of Distributions on Shares of Our Common Stock

You will recognize capital gain or loss upon the sale of our common stock acquired through the exercise of subscription rights in an amount equal to the difference between the amount realized and your tax basis in our common stock. The capital gain or loss will be long-term if your holding period in the shares is more than one year. Long-term capital gains recognized by individuals are taxable at a maximum rate of 20%, although such gains may also be subject to the additional Medicare tax described above. Long-term capital gains recognized by corporations are taxable at ordinary corporate tax rates. If you have held your shares of our common stock for one year or less, your capital gain or loss will be short-term. Short-term capital gains are taxed at a maximum rate equal to the maximum rate applicable to ordinary income. Your ability to use any capital loss is subject to certain limitations.

Distributions, if any, on shares of our common stock acquired through the exercise of subscription rights will be taxable to you as a dividend to the extent that the cash and fair market value of property is allocable to our current and accumulated earnings and profits for the taxable year in which the distribution is made. Dividends received by corporate holders of our common stock are taxable at ordinary corporate tax rates subject to any applicable dividends-received deduction. Dividends received by noncorporate holders of our common stock in taxable years beginning on or after January 1, 2013, are taxed at the holder's capital gain tax rate (a maximum rate of 20%), provided that the holder meets applicable holding period and other requirements, plus, in some cases, the additional Medicare tax discussed above. Any distributions in excess of our current and accumulated earnings and profits will be treated as a tax-free return of basis, and any further distributions in excess of your tax basis in our common stock will be treated as gain from the sale or exchange of such common stock. Your tax basis in any property you receive as a distribution on shares of our common stock will be the property's fair market value (regardless of whether the distribution is treated as a dividend, as a tax-free return of basis or as gain from the sale or exchange of our common stock).

Information Reporting and Backup Withholding

You may be subject to information reporting and/or backup withholding with respect to dividend payments on or the gross proceeds from the disposition of our common stock acquired through the exercise of subscription rights. Backup withholding may apply under certain circumstances if you (1) fail to furnish your social security or other taxpayer identification number ("TIN"), (2) furnish an incorrect TIN, (3) fail to report interest or dividends properly, or (4) fail to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct, that you are not subject to backup withholding, that you are a U.S. citizen (or other U.S. person), and that the FATCA code(s) entered on the statement (if any) is correct. Any amount withheld from a payment under the backup withholding rules is allowable as a credit against (and may entitle you to a refund with respect to) your U.S. federal income tax liability, provided that the required information is furnished to the IRS. Certain persons are exempt from backup withholding, including corporations and financial institutions. You are urged to consult your own tax advisor as to your qualification for exemption from backup withholding and the procedure for obtaining such exemption.

Tax Consequences to the Company

As of December 31, 2018, we had NOL carryforwards of approximately \$11.1 million for U.S. federal income tax purposes. An ownership change generally should occur and generally should produce an annual limitation on the utilization of our pre-ownership change NOLs and certain other tax assets if the aggregate stock ownership of holders of at least 5% of our stock increases by more than 50 percentage points over the preceding three-year period. The amount of annual limitation generally is equal to the value of our stock immediately prior to the ownership change multiplied by the adjusted federal long-term tax-exempt rate. The purchase of shares of our common stock pursuant to the rights offering may trigger an ownership change with respect to our stock.

MARKET FOR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Our common stock trades on Nasdaq under the trading symbol "BURG." On May 13, 2019, there were approximately 184 record holders of our common stock. This number does not include the number of persons or entities that hold stock in nominee or street name through various brokerage firms, banks, trustees and other nominees. On [____], 2019, the closing sales price reported on Nasdaq for our common stock was \$[____] per share. Past price performance is not indicative of future price performance.

The following table sets forth the high and low sale prices of our common stock on Nasdaq for the periods indicated:

PERIOD ENDED	HIGH	LOW
March 31, 2019	\$ 2.16	\$ 1.27
December 31, 2018	\$ 2.54	\$ 1.23
September 30, 2018	\$ 3.28	\$ 2.27
June 30, 2018	\$ 3.99	\$ 2.75
March 31, 2018	\$ 5.14	\$ 2.96
December 31, 2017	\$ 3.20	\$ 1.81
September 30, 2017	\$ 3.44	\$ 1.90
June 30, 2017*	\$ 4.50	\$ 0.23
March 31, 2017	\$ 0.47	\$ 0.31

*The Company effected a 10:1 stock split on May 19, 2017.

DIVIDEND POLICY

We have never declared or paid dividends on our common stock. We currently intend to retain future earnings, if any, for use in our business, and, therefore, we do not anticipate declaring or paying any dividends in the foreseeable future. Payments of future dividends, if any, will be at the discretion of our board of directors after considering various factors, including the terms of our credit facility and our financial condition, operating results, current and anticipated cash needs and plans for expansion.

DESCRIPTION OF CAPITAL STOCK

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

Common Stock

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

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

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

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

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

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

DESCRIPTION OF SUBSCRIPTION RIGHTS

The Subscription Rights

We are distributing to the holders of our common stock and certain holders of warrants to purchase shares of our common stock as of the record date non-transferable subscription rights to purchase shares of our common stock. The subscription price of \$[_____] per full share was determined by our board of directors after a review of recent historical trading prices of our common stock and the closing sales price of our common stock on [____], 2019, the last trading day prior to determining the subscription price. The closing sales price of our common stock on [____], 2019, was \$[_____]. The subscription rights will entitle the holders of our common stock and certain holders of warrants to purchase shares of our common stock to purchase approximately an aggregate of 11,428,571 shares of our common stock for an aggregate purchase price up to approximately \$16 million.

Each holder of our common stock and holder of certain warrants to purchase shares of our common stock will receive three subscription rights for each share of our common stock and each share of common stock underlying warrants owned by such holder as of 4:00 p.m., Eastern time, on the record date. Each subscription right will entitle the rights holder to a basic subscription privilege and an over-subscription privilege.

Basic Subscription Privilege

With your basic subscription privilege, you may purchase one share of our common stock per subscription right, upon delivery of the required documents and payment of the subscription price of \$[_____] per full share, prior to the expiration of the rights offering. You may exercise all or a portion of your basic subscription privilege. However, if you exercise less than your full basic subscription privilege you will not be entitled to purchase shares pursuant to your over-subscription privilege.

Fractional shares of our common stock resulting from the exercise of the basic subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We will deliver certificates representing shares of our common stock purchased with the basic subscription privilege as soon as practicable after the rights offering has expired.

Over-Subscription Privilege

If you fully exercise your basic subscription privilege and other rights holders do not fully exercise their basic subscription privileges, you may also exercise an over-subscription right to purchase additional shares of common stock that remain unsubscribed at the expiration of the rights offering, subject to the availability and pro rata allocation of shares among rights holders exercising this over-subscription right. To the extent the number of the unsubscribed shares are not sufficient to satisfy all of the properly exercised over-subscription rights requests, then the available shares will be prorated among those who properly exercised over-subscription rights based on the number of shares each rights holder subscribed for under the basic subscription right. If this pro rata allocation results in any rights holder receiving a greater number of shares of common stock than the rights holder subscribed for pursuant to the exercise of the over-subscription privilege, then such rights holder will be allocated only that number of shares for which the rights holder oversubscribed, and the remaining shares of common stock will be allocated among all other rights holders exercising the over-subscription privilege on the same pro rata basis described above. The proration process will be repeated until all shares of common stock have been allocated or all over-subscription exercises have been fulfilled, whichever occurs earlier.

In order to properly exercise your over-subscription privilege, you must deliver the subscription payment related to your over-subscription privilege prior to the expiration of the rights offering. Because we will not know the total number of unsubscribed shares prior to the expiration of the rights offering, if you wish to maximize the number of shares you purchase pursuant to your over-subscription privilege, you will need to deliver payment in an amount equal to the aggregate subscription price for the maximum number of shares of our common stock available to you, assuming that no rights holder other than you has purchased any shares of our common stock pursuant to their basic subscription privilege and over-subscription privilege.

We can provide no assurances that you will actually be entitled to purchase the number of shares issuable upon the exercise of your over-subscription privilege in full at the expiration of the rights offering. We will not be able to satisfy your exercise of the over-subscription privilege if all of our rights holders exercise their basic subscription privileges in full, and we will only honor an over-subscription privilege to the extent sufficient shares of our common stock are available following the exercise of subscription rights under the basic subscription privileges.

- To the extent the aggregate subscription price of the maximum number of unsubscribed shares available to you pursuant to the over-subscription privilege is less than the amount you actually paid in connection with the exercise of the over-subscription privilege, you will be allocated only the number of unsubscribed shares available to you, and any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.
- To the extent the rights holders properly exercise their over-subscription privileges for an aggregate number of shares that is less than the number of the unsubscribed shares, you will be allocated the number of unsubscribed shares for which you actually paid in connection with the over-subscription privilege.

Fractional shares of our common stock resulting from the exercise of the over-subscription privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the subscription agent will be returned, without interest, as soon as practicable.

We will deliver certificates representing shares of our common stock purchased with the over-subscription privilege as soon as practicable after the expiration of the rights offering.

Limitation on Exercise of Basic Subscription Privilege and Over-Subscription Privilege

In the event that the exercise by a rights holder of the basic subscription privilege or the over-subscription privilege could, as determined by the Company in its sole discretion, potentially result in a limitation on the Company's ability to use net operating losses, tax credits and other tax attributes, which we refer to as the "Tax Attributes," under the Code and rules promulgated by the IRS, the Company may, but is under no obligation to, reduce the exercise by such rights holder of the basic subscription privilege or the over-subscription privilege to such number of shares of common stock as the Company in its sole discretion shall determine to be advisable in order to preserve the Company's ability to use the Tax Attributes.

Distribution Arrangements

Chardan and Oak Ridge, which are broker-dealers and members of FINRA, will act as dealer-managers for this offering. The principal business address of Chardan is 17 State Street, Suite 2100, New York, NY 10004, and the principal business address of Oak Ridge is 701 Xenia Avenue, Suite 100, Minneapolis, MN 55416. Under the terms and subject to the conditions contained in their dealer-manager agreement, the dealer-managers will provide marketing services in connection with this offering. This offering is not contingent upon any number of rights being exercised. Chardan and Oak Ridge do not make any recommendation with respect to the rights or the shares of our common stock being sold in this offering (including with respect to the exercise of such rights).

Pursuant to the dealer-manager agreement with Chardan and Oak Ridge, we are obligated to pay to Chardan and Oak Ridge as compensation, in the aggregate, a cash fee of *up to 7%* of the gross proceeds of this offering and a non-accountable expense allowance *up to* \$75,000 and to indemnify Chardan and Oak Ridge for, or contribute to losses arising out of, certain liabilities, including liabilities under the Securities Act. The dealer-manager agreement also provides that Chardan and Oak Ridge will not be subject to any liability to us in rendering the services contemplated by the dealer-manager agreement except for any act of bad faith or gross negligence of the dealer-manager. Chardan and Oak Ridge and their respective affiliates may provide to us from time to time in the future in the ordinary course of their business certain financial advisory, investment banking and other services for which they will be entitled to receive fees.

PLAN OF DISTRIBUTION

As soon as practicable after the record date for the rights offering, we will distribute the subscription rights and rights certificates to individuals who owned shares of our common stock at 4:00 p.m., Eastern time, on June 7, 2019. If you wish to exercise your subscription rights and purchase shares of our common stock, you should complete the rights certificate and return it with payment for the shares to the subscription agent, Securities Transfer Corporation, at the following address: 2901 N Dallas Parkway, Suite 380, Plano, Texas 75093. See "The Rights Offering—Method of Exercising Subscription Rights." If you have any questions, you should contact the information agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stctransfer.com.

Chardan and Oak Ridge are the dealer-managers of this offering. In such capacity, Chardan and Oak Ridge will provide marketing assistance and advice to our company in connection with this offering. We have agreed to pay Chardan and Oak Ridge, in the aggregate, a cash fee *up to 7%* of the gross proceeds of this offering and a non-accountable expense allowance *up to* \$75,000. We have also agreed to indemnify Chardan and Oak Ridge and their respective affiliates against certain liabilities arising under the Securities Act. Chardan's and Oak Ridge's participation in this offering is subject to customary conditions contained in their dealer-manager agreement. Chardan and Oak Ridge and their respective affiliates may provide to us from time to time in the future in the ordinary course of their business certain financial advisory, investment banking and other services for which they will be entitled to receive fees.

Other than as described herein, we do not know of any existing agreements between or among any stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of the underlying common stock.

LEGAL MATTERS

The validity of the rights and the shares of common stock offered by this prospectus have been passed upon for us by Libertas Law Group, Inc., Santa Monica, California. Certain matters regarding the material U.S. federal income tax consequences of the rights offering have been passed upon for us by Libertas Law Group, Inc., Santa Monica, California. We have filed copies of these opinions as exhibits to the registration statement in which this prospectus is included.

EXPERTS

The consolidated financial statements of Chanticleer Holdings, Inc. as of and for the years ended December 31, 2018 and 2017 incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2018 have been audited by Cherry Bekaert LLP, an independent registered public accounting firm, as stated in its report incorporated by reference herein, and have been so incorporated in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

MATERIAL CHANGES

There have been no material changes in the Company's affairs since its fiscal year ended December 31, 2018 that have not been described in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 or Current Reports on Form 8-K pursuant to the Exchange Act.

INCORPORATION BY REFERENCE

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

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

- our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on April 1, 2019 and amended on April 30, 2019 ;
- our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, filed with the SEC on May 15, 2019; and
- our Current Reports on Form 8-K filed with the SEC on January 4, 2019, January 8, 2019, February 25, 2019 , April 1, 2019 and May 15, 2019 .

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

Our website address is chanticleerholdings.com and the URL where incorporated reports and other reports may be accessed is <http://ir.stockpr.com/chanticleerholdings/all-sec-filings>.

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

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

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

AVAILABLE INFORMATION

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

Our website address is chanticleerholdings.com. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this document. Our website address is included in this document as an inactive textual reference only.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

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

No dealer, salesperson or any other person is authorized to give any information or make any representations in connection with this offering other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.

CHANTICLEER HOLDINGS, INC.

**Up to 11,428,571 Shares of Common Stock
Issuable Upon Exercise of Rights to Subscribe for such Shares
at \$[_____] per Full Share**

PROSPECTUS

Dealer-Managers

Chardan

The Oak Ridge Financial Services Group, Inc.

[], 2019

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

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

SEC filing fee	\$	1,939.20
FINRA filing fee	\$	2,900.00
Accounting fees and expenses	\$	25,000.00
Legal fees and expenses	\$	75,000.00
Printing and engraving expenses	\$	10,000.00
Other (including subscription and information agent fees)	\$	21,000.00
Total	\$	<u>135,839.20</u>

Item 14. Indemnification of Directors and Officers.

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

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

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

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

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

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

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding unregistered securities sold by us within the past three years. These issuances were exempt from registration under Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D promulgated thereunder on the basis of the Company's preexisting relationship with the recipients and fact that that securities were issued without any form of general solicitation or general advertising.

On December 31, 2018, the Company entered into an amendment to its 8% debentures with the debenture holders, extending the maturity date of the debentures to March 31, 2020; provided, 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 the Company, demand full and immediate payment of the debentures. As part of the transaction, each holder received new warrants to purchase that number of shares of common stock equal to 20% of the principal amount of such holder's debenture (for an aggregate of warrants to issue an additional 1,200,000 shares of common stock). The new warrants have an exercise price of the greater of \$2.25, are not exercisable for a period of six months and will otherwise be substantially identical to the original warrants issued to the holders on May 4, 2017.

The Company accepted subscriptions to purchase 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. Proceeds from the offering will provide capital to fund growth and construction of new stores in the company's pipeline. 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. The warrants are exercisable for cash in full commencing six months after the issuance date. If a registration statement covering the shares underlying the warrants is not available at the time of exercise, the warrants may be exercised on a cashless basis. Larry Spitcaufsky, a director of the Company and greater than 5% shareholder, subscribed for 70,000 shares and will receive 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 Oak Ridge Financial Services Group, Inc., a registered broker-dealer ("Oak Ridge"), 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. The Company also agreed to reimburse Oak Ridge's legal expenses in an amount not to exceed \$2,500.

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 499,857 shares of common stock at a purchase price of \$2.00 per share, for a total gross purchase price of \$999,714. The Company also agreed to issue unregistered 5 ½ year warrants to purchase up to 499,857 shares of common stock 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. The warrants are exercisable for cash in full commencing six months after the issuance date.

On May 4, 2017 (the “Closing Date”), pursuant to a Securities Purchase Agreement, the Company sold and issued 8% non-convertible secured debentures in the principal amount of \$6,000,000 and warrants to purchase 12,000,000 shares of common stock 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. The debentures contain customary negative covenants. The warrants will expire on the tenth anniversary of the Closing Date and have an exercise price equal to \$0.35, subject to adjustment therein. The warrants are not exercisable until six months after the Closing Date. The warrant shares have registration rights, and, if not registered, the holders will have the right to cashless exercise. Upon the occurrence of an event of default, in addition to holders having acceleration repayment rights, the holders shall have the right, on a pro-rata basis, to purchase the Company’s subsidiary, Little Big Burger, for \$6,500,000. The purchasers were granted a right of first refusal as to future financing transactions of the Company for the term of the debentures. Further, the Company has agreed to appoint one person selected by purchasers holding a majority of interest of the debentures to its board of directors. Pursuant to the Security Agreement dated May 4, 2017, the debentures are secured by a second priority lien on all of the Company’s assets. Pursuant to the Subsidiary Guarantee dated May 4, 2017, all of the Company’s subsidiaries have guaranteed the Company’s performance of its obligations under the transaction documents. 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 June 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 of the net proceeds from the offering have been remitted to Florida Mezz, \$500,000 will be reserved to fund the opening of new stores, and the balance of \$206,746 will be used for working capital and general corporate purposes. T.R. Winston & Company, LLC, the Company’s placement agent, received a fee of \$260,153 for its services related to this transaction.

Pursuant to an Exchange Agreement dated March 10, 2017 by and between the Company and four of Company’s existing note holders, the Company exchanged 8% notes in the aggregate principal amount of \$725,000, which notes were in default (“Original Notes”) for new two-year 2% notes, in the aggregate principal amount of \$820,107.29, representing principal and unpaid accrued interest (“Exchange Notes”). The Original Notes were cancelled. Each Exchange Note may be converted into common stock of the Company, at the option of the holder, at a conversion price of \$0.30 per share and may be called by the holder after the one-year anniversary of the exchange date.

Item 16. Exhibits.

See “Exhibit Index” attached hereto and incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

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

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

(4) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is a part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

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

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

(b) The undersigned registrant hereby undertakes to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer and the amount of unsubscribed securities to be offered to the public. If any public offering of the securities is to be made on terms differing from those set forth on the cover page of the prospectus, a post-effective amendment will be filed to set forth the terms of such offering.

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

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has authorized this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on May 28, 2019.

CHANTICLEER HOLDINGS, INC.

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

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates stated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael D. Pruitt</u> Michael D. Pruitt	Chairman and Chief Executive Officer	May 28, 2019
<u>/s/ Patrick Harkleroad</u> Patrick Harkleroad	Chief Financial Officer	May 28, 2019
<u>/s/ Troy M. Shadoin</u> Troy M. Shadoin	Chief Accounting Officer	May 28, 2019
<u>/s/ Frederick L. Glick</u> Frederick L. Glick	Director and President	May 28, 2019
<u>*</u> Neil G. Kiefer	Director	May 28, 2019
<u>*</u> David P. Osborn	Director	May 28, 2019
<u>*</u> J. Eric Wagoner	Director	May 28, 2019
* By: <u>/s/ Michael D. Pruitt</u> Michael D. Pruitt Attorney-in-Fact		

EXHIBIT INDEX

Exhibit	Description
2.1	<u>Agreement and Plan of Merger dated September 2013 between the Company and American Roadside Burgers, Inc. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 1, 2013).</u>
2.2	<u>Share Purchase Agreement dated October 2013 between the Company and Manchester Wings Limited (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 24, 2013).</u>
2.3	<u>Tax Covenant to October 2013 Share Purchase Agreement with Manchester Wings Limited (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 24, 2013).</u>
2.4	<u>Subscription Agreement dated November 2013 among the Company, JF Restaurants, LLC and the other parties named therein (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on November 5, 2013).</u>
2.5	<u>Assignment, Assumption, Joinder and Amendment Agreement dated December 2013 among the Company, JF Franchising Systems, LLC and the other parties named therein (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on December 12, 2013).</u>
2.6	<u>Asset Purchase Agreement by and among Dallas Spoon, LLC, Express Working Capital, LLC and the Company dated December 31, 2014 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on January 6, 2014).</u>
2.7	<u>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).</u>
2.8	<u>Asset Purchase Agreement by and among The Burger Company LLC, American Burger Morehead LLC and the Company dated September 9, 2014 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on September 10, 2014).</u>
3.1(a)	<u>Certificate of Incorporation (incorporated by reference to Exhibit 3.1A to our Registration Statement on Form 10SB-12G (File No. 000-29507), filed with the SEC on February 15, 2000).</u>
3.1(b)	<u>Certificate of Merger, filed May 2, 2005 (incorporated by reference to Exhibit 2.1 to our Quarterly Report on Form 10-Q, filed with the SEC on August 15, 2014).</u>
3.1(c)	<u>Certificate of Amendment, filed July 16, 2008 (incorporated by reference to Exhibit 3.1(c) to our Registration Statement on Form S-1/A (Registration No. 333-178307), filed with the SEC on February 3, 2012).</u>
3.1(d)	<u>Certificate of Amendment, filed March 18, 2011 (incorporated by reference to the Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on March 18, 2011).</u>

- 3.1(e) [Certificate of Amendment, filed May 23, 2012 \(incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on May 24, 2012\).](#)
- 3.1(f) [Certificate of Amendment, filed February 3, 2014 \(incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on February 4, 2014\).](#)
- 3.1(g) [Certificate of Amendment, filed October 2, 2014 \(incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed with the SEC on October 2, 2014\).](#)
- 3.1(h) [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 \(Registration No. 333-214319\), filed with the SEC on December 5, 2016\).](#)
- 3.2 [Bylaws \(incorporated by reference to Exhibit 3.II.A to our Registration Statement on Form 10SB-12G \(File No. 000-29507\), filed with the SEC on February 15, 2000\).](#)
- 4.1 [Form of Common Stock Certificate \(incorporated by reference to Exhibit 4.1 to our Registration Statement on Form S-1 \(Registration No. 333-178307\), filed with the SEC on December 2, 2011\).](#)
- 4.2 [Form of Unit Certificate dated June 2012 \(incorporated by reference to Exhibit 4.2 filed with our Registration Statement on Form S-1/A \(Registration No. 333-178307\), filed with the SEC on May 30, 2012\).](#)
- 4.3 [Form of Warrant Agency Agreement dated June 2012 with Form of Warrant Certificate with \\$6.50 Exercise Price \(incorporated by reference to Exhibit 4.4 filed with our Registration Statement on Form S-1/A \(Registration No. 333-178307\), filed with the SEC on May 30, 2012\).](#)
- 4.4 [Form of 6% Secured Subordinate Convertible Note dated August 2013 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 5, 2013\).](#)
- 4.5 [Form of Warrant for August 2013 Convertible Note with \\$3.00 Exercise Price \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on August 5, 2013\).](#)
- 4.6 [Form of Warrant for September 2013 Merger Agreement with \\$5.00 Exercise Price \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 1, 2013\).](#)
- 4.7 [Form of Warrant for September 2013 Subscription Agreement with \\$5.00 Exercise Price \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 10, 2013\).](#)
- 4.8 [Form of Warrant for November 2013 Subscription Agreement with \\$5.50 and \\$7.00 Exercise Price \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on November 13, 2013\).](#)
- 4.9 [Form of Warrant for January 2015 Subscription Agreement \(incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015\).](#)

- 4.10 [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 \(incorporated by reference to Exhibit 14.1 to Current Report on Form 8-K, filed with the SEC on August 9, 2017\).](#)
- 4.11 [Form of 8% Non-Convertible Secured Debenture dated May 4, 2017 \(incorporated by reference to Exhibit 4.1 to Current Report on Form 8-k, filed with the SEC on May 5, 2017\).](#)
- 4.12 [Form of Warrant dated May 4, 2017 \(incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K, filed with the SEC on May 5, 2017\).](#)
- 4.13 [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 \(incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K, as amended, dated May 8, 2018\).](#)
- 4.15 [Form of Subscription Rights Certificate \(filed herewith\).](#)
- 4.16 [Form of Rights Agent and Information Agent Agreement \(filed herewith\).](#)
- 4.17 [Form of Escrow Agreement \(filed herewith\).](#)
- 5.1 Opinion of Libertas Law Group, Inc.+
- 8.1 Opinion of Libertas Law Group, Inc. regarding certain tax matters. +
- 10.1 [Revolving Credit Facility dated August 10, 2011 between the Company and Paragon Commercial Bank \(incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-1 \(Registration No. 333-178307\), filed with the SEC on December 2, 2011\).](#)
- 10.2 [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\).](#)
- 10.3 [Credit Agreement dated April 11, 2013 between the Company and Paragon Commercial Bank \(incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K, filed with the SEC on March 31, 2014\).](#)
- 10.4 [Form of Subscription Agreement dated September 2013 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 10, 2013\).](#)
- 10.5 [Form of Subscription Agreement dated November 2013 \(incorporated by reference to the Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on November 13, 2013\).](#)

- 10.6 [Brazil Franchise Agreement dated November 27, 2013 between the Company, Wings BrasilRestaurante Ltda., Chanticleer & Wings Brasil Foods Participacoes Ltda., and Hooters of America, LLC \(incorporated by reference to Exhibit 10.8 to our Annual Report on Form 10-K, filed with the SEC on March 31, 2014\).](#)
- 10.7 [Subscription Agreement dated December 2013 between the Company and Beacher's LV, LLC \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on December 2, 2013\).](#)
- 10.8 [Right to Purchase Agreement dated December 2013 between the Company and Madhouse Worldwide Investments, LLC \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on December 2, 2013\).](#)
- 10.9 [Agreement and Plan of Merger dated December 31, 2013 between the Company, Hooters of Washington, LLC, and Hooters of Oregon Partners, LLC \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on January 2, 2014\).](#)
- 10.10 [Agreement and Plan of Merger dated January 14, 2014 between the Company, Express Restaurant Holdings, LLC and Dallas Spoon, LLC \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on January 15, 2014\).](#)
- 10.11* [Chanticleer Holdings, Inc. 2014 Stock Incentive Plan effective February 3, 2014 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on February 4, 2014\).](#)
- 10.12 [Purchase Agreement by and among MIN MXT Pty Ltd, TMIX Management Australia Pty Ltd and the Company dated June 30, 2014 \(incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-k, filed with the SEC on July 3, 2014\).](#)
- 10.13 [Debt Assumption Agreements, dated July 1, 2014 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on July 3, 2014\).](#)
- 10.14 [Gaming Assignment, dated July 1, 2014 \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on July 3, 2014\).](#)
- 10.15 [Asset Purchase Agreement by and between Chanticleer Holdings, Inc., The Burger Company, LLC and American Burger Morehead, LLC dated September 9, 2014 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on September 10, 2014\).](#)
- 10.16 [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 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on January 6, 2015\).](#)
- 10.17 [Form of Subscription Agreement dated January 2015 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015\).](#)

- 10.18 [Form of Note dated January 2015 \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015\).](#)
- 10.19 [Form of Registration Rights Agreement dated January 2015 \(incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K/A, filed with the SEC on January 9, 2015\).](#)
- 10.20 [Form of Securities Purchase Agreement by and between the Company and Carl Caserta dated February 11, 2015 \(incorporated by reference to Exhibit 10.1 to our Registration Statement on Form S-3, filed with the SEC on April 27, 2015\).](#)
- 10.21 [Registration Rights Agreement by and between the Company and Carl Caserta dated February 11, 2015 \(incorporated by reference to Exhibit 10.3 to our Registration Statement on Form S-3, filed with the SEC on April 27, 2015\).](#)
- 10.22 [Asset Purchase Agreement by and between Chanticleer Holdings, Inc., BGR Holdings, LLC and BGR Acquisition LLC, dated February 18, 2015 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on February 18, 2015\).](#)
- 10.23 [Asset Purchase Agreement by and between Chanticleer Holdings, Inc., BT's Burgerjoint Management, LLC and BT Burger Acquisition, LLC dated March 31, 2015 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on March 31, 2015\).](#)
- 10.24 [Agreement dated April 24, 2015 by and among the Company, AT Media Corp. and Aton Select Fund, Ltd. \(incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-3, filed with the SEC on April 27, 2015\).](#)
- 10.25 [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 our Registration Statement on Form S-3 \(Registration No. 333- 203679\), filed with the SEC on June 3, 2015\).](#)
- 10.26 [Membership Interest Purchase Agreement dated July 31, 2015 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 3, 2015\).](#)
- 10.27 [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 \(incorporated by reference to Exhibit 10.24 to our Annual Report on Form 10-K, filed with the SEC on March 30, 2016\).](#)
- 10.28 [Business sale agreement to purchase the assets of Hoot Gold Coast Pty Ltd and Hoot Townsville Pty Limited dated August 12, 2015 \(incorporated by reference to Exhibit 10.25 to our Annual Report on Form 10-K, filed with the SEC on March 30, 2016\).](#)
- 10.29 [Business sale agreement to purchase the assets of Hoot Parramatta Pty Ltd dated August 13, 2015 \(incorporated by reference to Exhibit 10.26 to our Annual Report on Form 10-K, filed with the SEC on March 30, 2016\).](#)
- 10.30 [Form of Leak Out Agreement dated September 30, 2015 \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015\).](#)
- 10.31 [Form of Securities Account Control Agreement dated September 30, 2015 \(incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015\).](#)

- 10.32 [Stock Pledge and Security Agreement dated September 30, 2015 \(incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K, filed with the SEC on October 5, 2015\).](#)
- 10.33 [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 our Registration Statement on Form S-1 \(Registration No. 333-214319\), filed with the SEC on October 28, 2016\).](#)
- 10.34 [Form of Exchange Agreement dated March 10, 2017 by and between the Company and certain note holders. \(incorporated by reference to Exhibit 10.28 to our Annual Report on Form 10-K, filed with the SEC on March 31, 2017\).](#)
- 10.35 [Form of 2% Convertible Promissory Note issued March 10, 2017 \(incorporated by reference to Exhibit 10.29 to our Annual Report on Form 10-K, filed with the SEC on March 31, 2017\).](#)
- 10.36 [Amendment to 6% Secured Subordinated Convertible Note by and between the Company and certain note holder \(incorporated by reference to Exhibit 10.30 to our Annual Report on Form 10-K, filed with the SEC on March 31, 2017\).](#)
- 10.37 [Satisfaction, Settlement and Release Agreement by and between the Company and Florida Mezzanine Fund, LLLP dated May 2, 2017 \(incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K, filed with the SEC on May 5, 2017\).](#)
- 10.38 [Securities Purchase Agreement by and between the Company and certain accredited investors dated May 4, 2017 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on May 5, 2017\).](#)
- 10.39 [Security Agreement by and between the Company and certain accredited investors dated May 4, 2017 \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on May 5, 2017\).](#)
- 10.40 [Subsidiary Guarantee dated May 4, 2017 \(incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on May 5, 2017\).](#)
- 10.41 [Amendment to Securities Purchase Agreement by and between Chanticleer Holdings, Inc. and purchasers executed August 7, 2017 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 9, 2017\).](#)
- 10.42 [Form of Officer and Director Indemnification Agreement \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 30, 2017\).](#)
- 10.43 [Form of Securities Purchase Agreement by and between the Company and certain accredited investors dated August 12, 2017 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 13, 2017\).](#)
- 10.44 [Form of Securities Purchase Agreement by and between the Company and certain accredited investors dated May 3, 2018 \(incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, as amended, dated May 8, 2018\).](#)
- 10.45* [Employment Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick \(incorporated by reference to Exhibit 10.40 to our Annual Report on 10-K, filed with the SEC on April 1, 2019\).](#)

- 10.46* [Restricted Stock Unit Award Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick \(incorporated by reference to Exhibit 10.41 to our Annual Report on 10-K, filed with the SEC on April 1, 2019\).](#)
- 10.47* [Incentive Stock Option Agreement dated November 16, 2018 by and between the Company and Frederick L. Glick \(incorporated by reference to Exhibit 10.42 to our Annual Report on 10-K, filed with the SEC on April 1, 2019\).](#)
- 10.48 [Amendment to 8% Secured Debentures by and between the Company and Debenture Holders \(incorporated by reference to Exhibit 10.43 to our Annual Report on 10-K, filed with the SEC on April 1, 2019\).](#)
- 10.49* [Employment Agreement dated January 7, 2019 by and between Patrick Harkleroad and the Company \(incorporated by reference to Exhibit 10.44 to our Annual Report on 10-K, filed with the SEC on April 1, 2019\).](#)
- 10.50 [Engagement Agreement by and among Chardan Capital Markets, LLC, The Oak Ridge Financial Services Group, Inc. and Chanticleer Holdings, Inc. dated April 5, 2019. **](#)
- 10.51 [Form of Dealer-Manager Agreement \(filed herewith\).](#)
- 21 [Subsidiaries of the Company \(incorporated by reference to Exhibit 21 to our Annual Report on Form 10-K, filed with the SEC on April 1, 2019\).](#)
- 23.1 [Consent of Cherry Bekaert LLP, Independent Registered Public Accounting Firm \(filed herewith\).](#)
- 23.2 [Consent of Libertas Law Group Inc. \(included in Exhibit 5.1\).](#)
- 23.3 [Consent of Libertas Law Group, Inc. regarding certain tax matters \(included in Exhibit 8.1\).](#)
- 24.1 [Power of Attorney. **](#)
- 99.1 [Form of Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates \(filed herewith\) .](#)
- 99.2 [Form of Notice of Guaranteed Delivery \(filed herewith\) .](#)
- 99.3 [Form of Letter to Stockholders who are Beneficial Owners \(filed herewith\).](#)
- 99.4 [Form of Letter to Stockholders who are Record Holders \(filed herewith\).](#)
- 99.5 [Form of Letter to Clients \(filed herewith\) .](#)
- 99.6 [Form of Letter to Warrant Holders \(filed herewith\).](#)
- 99.7 [Form of Beneficial Owner Election Form \(filed herewith\) .](#)
- 99.8 [Form of Nominee Holder Certification \(filed herewith\) .](#)

* Denotes an executive compensation plan or agreement.

** Previously filed with the initial filing of this registration statement on Form S-1 filed on April 15, 2019.

+ To be filed by amendment.

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.

FORM OF SUBSCRIPTION RIGHTS CERTIFICATE

RIGHTS CERTIFICATE #:

NUMBER OF RIGHTS:

THE TERMS AND CONDITIONS OF THE RIGHTS OFFERING ARE SET FORTH IN THE COMPANY'S PROSPECTUS DATED [____], 2019 (THE "PROSPECTUS") AND ARE INCORPORATED HEREIN BY REFERENCE. COPIES OF THE PROSPECTUS ARE AVAILABLE UPON REQUEST FROM SECURITIES TRANSFER CORPORATION, THE SUBSCRIPTION AGENT. THE SUBSCRIPTION AGENT'S TELEPHONE NUMBER IS (469) 633-0101.

Incorporated under the laws of the State of Delaware

NON-TRANSFERABLE SUBSCRIPTION RIGHTS CERTIFICATE

Evidencing Non-Transferable Subscription Rights to Purchase Shares of Common Stock
of Chanticleer Holdings, Inc.

Subscription Price: \$[____] per Full Share

THE SUBSCRIPTION RIGHTS WILL EXPIRE IF NOT EXERCISED
ON OR BEFORE 5:00 P.M., EASTERN TIME, ON [____], 2019,
UNLESS EXTENDED BY THE COMPANY

REGISTERED OWNER:

THIS CERTIFIES THAT the registered owner whose name is inscribed hereon is the owner of the number of non-transferable subscription rights (the "Rights") set forth above. Each whole Right entitles the holder to purchase one share of common stock, par value \$0.0001 per share, of Chanticleer Holdings, Inc., a Delaware corporation (the "Common Stock"), at a subscription price of \$[____] per full share (the "Basic Subscription Privilege"), pursuant to a rights offering (the "Rights Offering"), on the terms and subject to the conditions set forth in the Prospectus and the "Instructions for Use of Chanticleer Holdings, Inc.'s Subscription Rights Certificates" accompanying this Non-Transferable Subscription Rights Certificate (the "Rights Certificate"). If any shares of Common Stock available for purchase in the Rights Offering are not purchased by other holders of Rights pursuant to the exercise of their Basic Subscription Privilege (the "Excess Shares"), any Rights holder that exercises its Basic Subscription Privilege in full may subscribe for a number of Excess Shares pursuant to the terms and conditions of the Rights Offering, subject to proration, as described in the Prospectus (the "Over-Subscription Privilege"). The number of shares subscribed for pursuant to this Rights Certificate is subject to reduction as a result of the Tax Attributes as described in the Prospectus. The Rights represented by this Rights Certificate may be exercised by completing Form 1 and any other appropriate forms on the reverse side hereof and by retuning the full payment of the subscription price for each share of Common Stock in accordance with the "Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates" that accompany this Rights Certificate.

This Rights Certificate is not valid unless countersigned by the Subscription Agent and registered by the registrar.

Witness the seal of Chanticleer Holdings, Inc. and the signatures of its duly authorized officers.

Dated:

President and Chief Executive Officer

Secretary

DELIVERY OPTIONS FOR RIGHTS CERTIFICATE

Delivery other than in the manner or to the addresses listed below will not constitute valid delivery.

If delivering by mail, hand or overnight courier:
Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

FORM 1 - EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for shares pursuant to your Basic Subscription Right, please complete lines (a) and (c) and sign under Form 3 below. To subscribe for shares pursuant to your Over-Subscription Right, please also complete line (b) and sign under Form 3 below. To the extent you subscribe for more shares than you are entitled under either the Basic Subscription Right or the Over-Subscription Right, you will be deemed to have elected to purchase the maximum number of shares for which you are entitled to subscribe under the Basic Subscription Right or Over-Subscription Right, as applicable.

(a) EXERCISE OF BASIC SUBSCRIPTION RIGHT:

I apply for _____ shares x \$[_____] = \$ _____
(no. of (subscription (amount
new shares) price) enclosed)

(b) EXERCISE OF OVER-SUBSCRIPTION RIGHT

If you have exercised your Basic Subscription Right in full and wish to subscribe for additional shares pursuant to your Over-Subscription Right:

I apply for _____ shares x \$[_____] \$ _____
(no. of (subscription (amount
new shares) price) enclosed)

(c) Total Amount of Payment Enclosed = \$ _____

METHOD OF PAYMENT (CHECK ONE)

[] Check or bank draft payable to "Securities Transfer Corporation as Rights Agent for Chanticleer Holdings, Inc."

[] Wire transfer of immediately available funds directly to the account maintained by Securities Transfer Corporation, as Subscription Agent, for purposes of accepting subscriptions in this Rights Offering to the following, with reference to the Rights holder's name:

DOMESTIC:
Eagle Bank
7815 Woodmont Avenue
Bethesda, MD 20814
ABA/Routing # 055003298
Beneficiary Name: STC as Rights Agent for Chanticleer Holdings, Inc.
Account # 200334571

INTERNATIONAL:
Wells Fargo Bank NA
464 California Street
San Francisco, CA 94104
Bank Swift Code: WFBIUS6S
Further Credit to Eagle Bank
Account/ABA # 055003298
Beneficiary Name: STC as Rights Agent for Chanticleer Holdings, Inc.
Account # 200334571

FORM 2 - DELIVERY TO DIFFERENT ADDRESS

If you wish for the shares of Common Stock underlying your Rights, a certificate representing unexercised Rights or the proceeds of any sale of Rights to be delivered to an address different from that shown on the face of this Rights Certificate, please enter the alternate address below, sign under Form 3 and have your signature guaranteed under Form 4.

FORM 3 - SIGNATURE

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for the Rights Offering and I hereby irrevocably subscribe for the number of shares indicated under Form 1 above on the terms and conditions specified in the Prospectus. This Form 3 must be signed by the registered holder(s) exactly as their name(s) appear(s) on the certificate(s) or by person(s) authorized to sign on behalf of the registered holder(s) by documents transmitted herewith.

FORM 4 - SIGNATURE GUARANTEE

This form must be completed if you have completed any portion of Form 2.

Signature
Guaranteed: _____
(Name of Bank or Firm)

By: _____
(Signature of Officer)

IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

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

May [], 2019

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093

Ladies and Gentlemen:

In connection with your appointment as Rights Agent and Information Agent in the transactions described herein, Chanticleer Holdings, Inc., a Delaware corporation (the "Company"), hereby confirms its arrangements with you as follows:

1. Rights Offering. As set forth in the Company's Prospectus preliminarily dated May 28, 2019 as it may be amended (the "Prospectus"), and incorporated herein by reference, the Company intends to conduct a rights offering (the "Rights Offering") in which it shall distribute to each holder of its common stock, \$0.001 par value per share (the "Common Stock"), and certain holders of its warrants to purchase shares of Common Stock, three subscription rights (the "Rights") to subscribe for shares of Common Stock (the "Shares"), for each share of Common Stock and each share of Common Stock underlying warrants held at the close of business on June 7, 2019 (the "Record Date"). Each Right shall entitle the holder thereof to subscribe for one Share (the "Basic Subscription Privilege") at a subscription price of \$[] per full Share (the "Subscription Price"). These Rights shall expire at 5:00 p.m., Eastern time, on [], 2019 (the "Expiration Time"), and be evidenced by non-transferable subscription rights certificates ("Subscription Rights Certificates"). In addition, each Rights holder who exercises their Basic Subscription Privilege in full shall be eligible to subscribe for, at the same Subscription Price, such additional Shares that remain unsubscribed as a result of unexercised Rights held by other Rights holders (the "Oversubscription Privilege"), subject to proration as set forth below.

2. Appointment of Rights Agent. You are hereby appointed as the Rights Agent for the Rights Offering in accordance with the Prospectus. Each reference to you in this letter is to you in your capacity as Rights Agent, unless the context indicates otherwise.

3. Delivery of Documents. Enclosed herewith are the following, the receipt of which by you is hereby acknowledged:

- (a) a copy of the Prospectus;
 - (b) the form of Subscription Rights Certificate;
-

- (c) the form of Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates;
- (d) the form of Notice of Guaranteed Delivery;
- (e) the form of Letter to Stockholders who are Beneficial Owners;
- (f) the form of Letter to Stockholders who are Record Holders;
- (g) the form of Letter to Clients;
- (h) the form of Letter to Warrant Holders;
- (i) the form of Beneficial Owner Election Form;
- (j) the form of Nominee Holder Certification Form;
- (k) the Substitute Form W-9; and
- (l) a return envelope addressed to Securities Transfer Corporation, as Rights Agent.

The documents referenced in clauses (c) through (j) above shall be referred to herein as the "Ancillary Documents."

On or before [____], 2019, the Company shall mail or cause to be mailed to each holder of Common Stock and each holder of certain warrants, at the close of business on the Record Date (the "Record Stockholders"), a Subscription Rights Certificate evidencing the Rights to which such holder is entitled, a Prospectus, the Ancillary Documents (as applicable) and an envelope addressed to you.

4 . Subscription Procedure. (a) Upon your receipt prior to the Expiration Time (by mail, facsimile or delivery) as Rights Agent of (i) any Subscription Rights Certificate completed and endorsed for exercise (except as provided in paragraph 6 hereof), and (ii) payment in full of the subscription price set forth on the cover page of the Prospectus for the Shares subscribed for (the "Subscription Price") in U.S. funds (A) by certified check, bank draft or a postal, telegraphic or express money order payable at par (without deduction for bank service charges or otherwise) to you, "AS RIGHTS AGENT;" (B) by wire transfer of immediately available funds; or (C) an alternative payment method arranged by you and approved by the Company, you shall as soon as practicable after the Expiration Time (but after performing the procedures described in subparagraphs (b) and (c) below), mail to the subscriber's registered address on the books of the Company the Shares subscribed for pursuant to the Basic and Oversubscription Privileges, and furnish a list of all such information to the Company.

(b) As soon as practicable after the Expiration Time, you shall calculate the number of Shares to which each subscriber is entitled pursuant to the Oversubscription Privilege. Only subscribers who exercise their Basic Subscription Privilege in full shall be eligible to subscribe for those Shares not subscribed for pursuant to the Basic Subscription Privilege of other Rights holders (the "Remaining Shares"). Where there are sufficient Remaining Shares to satisfy all additional subscriptions by subscribers exercising their rights under the Oversubscription Privilege, each subscriber shall be allotted the number of additional Shares subscribed for by them. If the aggregate number of Shares subscribed for under the Oversubscription Privilege exceeds the number of Remaining Shares, the number of Remaining Shares initially allotted to each participant in the Oversubscription Privilege shall be the lesser of (i) the number of Shares subscribed for under the Oversubscription Privilege by such subscriber or (ii) the product (disregarding fractions) obtained by multiplying the number of Remaining Shares by a fraction, the numerator of which is the number of Shares subscribed for under the Oversubscription Privilege by such subscriber, and the denominator of which is the aggregate number of Shares subscribed for under the Oversubscription Privilege by all subscribers. If after the initial allotment there are still Remaining Shares and subscribers whose exercise of the Oversubscription Privilege has not been fully satisfied, such Remaining Shares shall be allocated (one or more times as necessary) in accordance with the foregoing principal until all available Remaining Shares have been allocated. Any fractional Share to which subscribers exercising their Oversubscription Privilege would otherwise be entitled pursuant to such allocation shall be rounded down to the next whole share.

(c) Upon calculating the number of Shares to which each subscriber is entitled pursuant to the Oversubscription Privilege and the amount overpaid, if any, by each subscriber, you shall, as soon as practicable, (i) furnish a list of all such information to the Company and (ii) inform the subscribers who participated in the Oversubscription Privilege of the number of additional Shares, if any, allotted to them.

(d) Upon calculating the number of Shares to which each subscriber is entitled pursuant to the Oversubscription Privilege and assuming payment for the additional Shares subscribed for has been delivered, you shall mail to the subscriber's registered address on the books of the Company the additional Shares the subscriber has been allotted as contemplated in subparagraph (a) above. If a lesser number of Shares is allotted to a subscriber under the Oversubscription Privilege than the number for which the subscriber has tendered payment, you shall remit to the subscriber the excess of the payment received from such subscriber over the amount required to exercise the Oversubscription Privilege for the number of Shares finally allotted to such subscriber, without interest or deduction, at the same time as certificates representing the Shares allotted pursuant to the Oversubscription Privilege are mailed.

(e) You shall promptly remit to the Company, after expiration of the Rights Offering and issuance of certificates for the Shares subscribed for, all funds received in payment of the Subscription Price under the Basic Subscription Privilege. Funds received by you pursuant to the Oversubscription Privilege shall be held by you in a segregated account pending allocation of Shares issued pursuant to the Oversubscription Privilege. Upon mailing certificates representing the Shares and refunding each subscriber's funds for additional Shares subscribed for but not allotted, if any, you shall promptly remit all funds received in payment of the Subscription Price under the Oversubscription Privilege to the Company.

5. Defective Exercise of Rights; Lost Subscription Rights Certificates. The Company shall have the absolute right to reject any defective exercise of Rights or to waive any defect in exercise. Unless requested to do so by the Company, you shall not be under any duty to give notification to holders of Subscription Rights Certificates of any defects or irregularities in subscriptions. Such subscriptions shall not be deemed to have been made until any such defects or irregularities have been cured or waived within such time as the Company determines. You shall as soon as practicable return Subscription Rights Certificates with defects or irregularities that have not been cured or waived to the holder of the Rights. If any Subscription Rights Certificate is alleged to have been lost, stolen or destroyed, you should follow the same procedures followed for lost stock certificates representing shares of Common Stock you use in your capacity as transfer agent for the Company's Common Stock.

6. Late Delivery. If prior to the Expiration Time you receive (i) payment in full of the Subscription Price for the Shares being subscribed for and (ii) a guarantee notice (a "Notice of Guaranteed Delivery") substantially in the form delivered with the Subscription Rights Certificate, from a commercial bank or trust company having an office or correspondent in the United States, or a member firm of any registered United States national securities exchange or of the National Association of Securities Dealers, Inc. stating the certificate number of the Subscription Rights Certificate relating to the Rights, the name and address of the exercising Rights holder, the number of Rights represented by the Subscription Rights Certificate held by such exercising Rights holder, the number of Shares being subscribed for pursuant to the Basic Subscription Privilege, the number of Shares, if any, being subscribed for pursuant to the Oversubscription Privilege, and guaranteeing the delivery to you of the Subscription Rights Certificate evidencing such Rights within three trading days on the over-the-counter market ("OTC") following the date of the Notice of Guaranteed Delivery, then the Rights may be exercised even though the Subscription Rights Certificate was not delivered to you prior to the Expiration Time, provided that within three OTC trading days following the date of the Notice of Guaranteed Delivery you receive the properly completed and duly executed Subscription Rights Certificate evidencing the Rights being exercised, with signature guaranteed if required.

7. Delivery. You shall deliver to the Company the exercised Subscription Rights Certificates in accordance with written directions received from the Company and shall deliver the Shares to the subscribers who have duly exercised Rights at their registered addresses as instructed on the Subscription Rights Certificates.

8. Reports. You shall notify the Company by telephone on or before the close of business on each business day during the period commencing with the mailing of the Rights and ending at the Expiration Time (and in the case of guaranteed deliveries, ending three business days after the Expiration Time) (a "daily notice"), which notice shall thereafter be confirmed in writing of (i) the number of Rights exercised on the day covered by such daily notice, (ii) the number of Rights subject to guaranteed delivery on the day covered by such daily notice, (iii) the number of Rights for which defective exercises have been received on the day covered by such daily notice, (iv) the number of Shares requested under the Oversubscription Privilege and (v) the cumulative total of the information set forth in clauses (i) through (iv) above. At or before the first business day following the Expiration Time, you shall certify in writing to the Company the cumulative total through the Expiration Time of all the information set forth in clauses (i) through (iv) above. You shall maintain and update a listing of holders who have fully or partially exercised their Rights, and holders who have not exercised their Rights. You shall provide the Company or its designee with such information compiled by you pursuant to this paragraph 8 as any of them shall request.

9. Future Instructions. With respect to notices or instructions to be provided by the Company hereunder, you may rely and act on any written instruction signed by (a) any one or more of the following authorized officers or employees of the Company: Michael D. Pruitt, Chief Executive Officer of the Company or Patrick Harkleroad, Chief Financial Officer of the Company; or (b) Ruba Qashu of Libertas Law Group, Inc., special counsel for the Company.

10. Payment of Compensation and Expenses. The Company will pay you compensation for acting in your capacity as Rights Agent hereunder as set forth on Schedule 1 attached hereto. Payment for information agent services and the project management and acceptance fee shall be due upon commencement of this Agreement.

11. Counsel. You may consult with counsel satisfactory to you, which may be counsel to the Company, and the written advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by you hereunder in good faith and in accordance with such advice or opinion of such counsel. The Company agrees that any fees incurred by Securities Transfer Corporation associated with this consultation shall be deemed a reimbursable expense which the Company will cover.

12. Indemnification. The Company covenants and agrees to indemnify and hold you harmless against any costs, expenses (including reasonable fees for legal counsel), losses or damages, which may be paid, incurred or suffered by or to which you may become subject, arising from or out of, directly or indirectly, any claim or liability resulting from your actions as Rights Agent pursuant hereto; provided that such covenant and agreement does not extend to such costs, expenses, losses and damages incurred or suffered by you as a result of, or arising out of, your own gross negligence or bad faith.

13. Notices. Unless otherwise provided herein, all reports, notices and other communications required or permitted to be given hereunder shall be in writing and delivered by hand or confirmed teletype or by first class mail, postage prepaid, as follows:

(a) If to the Company, to:

Michael D. Pruitt, Chief Executive Officer
Chanticleer Holdings, Inc.
7621 Little Avenue, Suite 414
Charlotte, NC 28226
Telephone: (704) 366-5122

with a copy to:

Ruba Qashu
Libertas Law Group, Inc.
225 Santa Monica Boulevard, 5th Floor
Santa Monica, CA 90401
Telephone: (949) 355-5405

(b) If to you, to:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, Texas 75093
Attention: Stephanie Zhang
Telephone: (469) 663-0101
Telecopy: (469) 633-0088

14. Assignment, Delegation. Neither this Agreement nor any rights or obligations hereunder may be assigned or delegated by either party without the written consent of the other party. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns. Nothing in this Agreement is intended or shall be construed to confer upon any other person any right, remedy or claim or to impose upon any other person any duty, liability or obligation.

15. Governing Law. The validity, interpretation and performance of this Agreement shall be governed by the law of the State of Texas, except that body of law relating to choice of laws.

16. Severability. If any provision of this Agreement shall be held invalid, unlawful, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement.

18. Captions. The captions and descriptive headings herein are for convenience of the parties only. They do not in any way modify, amplify, alter or give full notice of the provisions hereof.

19. Confidentiality. All books, records, information and data pertaining to the business of a party that are exchanged or received pursuant to the negotiation or the carrying out of this Agreement including the fees for services set forth in the attached schedule shall remain confidential, and shall not be voluntarily disclosed to any other person, except as may be required by law.

20. Term. This Agreement shall remain in effect until 30 days' written notice has been provided by either party to the other of its termination. Upon termination of the Agreement, the Rights Agent shall retain all cancelled Subscription Rights Certificates and related documentation as required by applicable law.

21. Merger of Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement with respect to the subject matter hereof whether oral or written.

If the foregoing is in accordance with your understanding of our arrangements, please sign and return the enclosed duplicate of this letter.

Very truly yours,

CHANTICLEER HOLDINGS, INC.

By: Michael D. Pruitt
Title: Chief Executive Officer

The foregoing is in accordance with our understanding and is hereby confirmed and accepted.

SECURITIES TRANSFER CORPORATION

By: George Johnson
Title: Vice President

Dated: _____, 2019

SECURITIES TRANSFER CORPORATION
Schedule of Fees
As Rights Agent and Information Agent

I.	Project Management and Acceptance Fee	\$3,500.00
II.	Examine / Process Right certificates and Accompanying Payment, each	\$10.00 per
III.	Print & process new stock certificates (per issue)	\$10.00 per
IV.	Additional Handling Items, each Including Notice of Guaranteed Deliveries, Withdrawals, Legal Items, Options, Correspondence, Partial, Items not providing a Taxpayer Identification Number, etc.	\$5.00 per
V.	Each line item on DTC's ATOP Forms	\$10.00/line
VI.	Extension of Offer, each * Additional Changes to Shareholder File (including transfer journal updates) * Attorney Review of Agreement (if there are any variations on the standard language) * Changes to Standard Documents * Additional Special Services	\$2,500.00, each Included Included Included By Appraisal
VII.	Out of Pocket Expenses Including Postage, Printing, Stationary, Overtime, Transportation, etc.	Additional
VIII.	Information Agent Services	\$7,500.00
IX.	Administrative Fee (20 hours included in quote)	\$135.00/hour
X.	Printing of Materials	\$0.04 per side
XI.	Mailing of Materials	\$2.00 + Postage

ESCROW AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made this May [], 2019 by and among Chanticleer Holdings, Inc., a Delaware corporation (the “**Issuer**”), whose name and address appears on the Information Sheet (as defined herein) attached to this Agreement and Securities Transfer Corporation, a Texas corporation with its principal address at, 2901 N. Dallas Parkway, Suite 380, Plano, Texas 75093 (the “**Escrow Agent**”).

WITNESSETH:

WHEREAS, the Issuer has filed with the Securities and Exchange Commission (the “**SEC**”) a Registration Statement (the “**Registration Statement**”) covering a proposed offering of subscription rights (the “**Rights**”) as described on the Information Sheet (the “**Rights Offering**”);

WHEREAS, the Issuer is distributing, at no charge, to holders of record on June 7, 2019 of its common stock and certain warrants to purchase shares of its common stock, non-transferrable subscription rights to purchase shares of the Issuer’s common stock, \$0.0001 par value per share (the “**Shares**”), at the subscription price of \$[] per Share, for a maximum of \$16.0 million of subscription proceeds;

WHEREAS the parties propose to establish an Escrow Account (the “**Escrow Account**”), to which subscription monies which are received by the Escrow Agent in connection with such Rights Offering are to be credited, and the Escrow Agent is willing to establish the Escrow Account and the terms are subject to the conditions hereinafter set forth; and

WHEREAS, the Escrow Agent has agreed to establish a special Bank Account with EagleBank (the “**Bank**”) into which the subscription monies, which are received by the Escrow Agent and credited to the Escrow Account are to be deposited.

NOW, THEREFORE in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

1. **Information Sheet**. Each capitalized term not otherwise defined in this Agreement shall have the meaning set forth for such term on the information sheet which is attached to this Agreement and is incorporated by reference herein and made a part hereof (the “**Information Sheet**”).
2. **Establishment of the Bank Account**
 - a) The Escrow Agent shall establish a non-interest bank account at the branch of the Bank selected by the Escrow Agent (heretofore defined as the “**Bank Account**”). The purpose of the Bank Account is for (a) the deposit of all subscription monies (checks or wire transfers) which are received from prospective purchasers of the Shares and are delivered to the Escrow Agent, (b) the holding of amounts of subscription monies which are collected through the banking system, and (c) the disbursement of collected funds, all as described herein.

- b) On or before the date of the initial deposit in the Bank Account pursuant to this Agreement, the Issuer shall notify the Escrow Agent in writing of the effective date of the Registration Statement (the “**Effective Date**”), and the Escrow Agent shall not be required to accept any amounts for credit to the Escrow Account or for deposit in the Bank Account prior to its receipt of such notification.
- c) The Initial Offering Period, which shall be deemed to commence on the Effective Date, shall consist of the number of calendar days or business days set forth on the Information Sheet. The Initial Offering Period shall be extended by an Extension Period only if the Escrow Agent shall have received written notice thereof at least three (3) business days prior to the expiration of the Initial Offering Period. The Extension Period, which shall be deemed to commence on the next calendar day following the expiration of the Initial Offering Period, shall consist of the number of calendar days or business days set forth in such written notice, but in no event more than that number of calendar days or business days set forth on the Information Sheet. The last day of the Initial Offering Period, or the last day of the Extension Period (if the Escrow Agent has received written notice thereof as hereinabove provided), is referred to herein as the “**Termination Date**.” Except as provided in Section 4(c) hereof, after the Termination Date the Escrow Agent shall not accept any additional amounts representing payments by prospective purchasers.

3. Deposits to the Bank Account.

- a) All monies in the form of checks or wire transfers which the Escrow Agent receives from or on behalf of prospective purchasers of the Shares shall be credited to the Escrow Account. All checks delivered to the Escrow Agent shall be made payable to “STC as Rights Agent for Chanticleer Holdings, Inc.” Any check payable other than to the Escrow Agent as required hereby shall be returned to the prospective purchaser (together with any Subscription Information, as defined below or other documents delivered therewith) following receipt of such check by the Escrow Agent, and such check shall be deemed not to have been delivered to the Escrow Agent pursuant to the terms of this Agreement.
- b) Promptly after receiving subscription monies as described in Section 3(a), the Escrow Agent shall deposit the same into the Bank Account. Amounts of monies so deposited are hereinafter referred to as “**Escrow Amounts**.” The Escrow Agent shall cause the Bank to process all Escrow Amounts for collection through the banking system. Simultaneously with each deposit to the Escrow Account, the Escrow Agent shall be given a written account with respect to each subscription, in writing, which account shall set forth, among other things, the name, address, and the tax identification number of the purchaser, the amount of Shares subscribed for by such purchase, and the aggregate dollar amount of such subscription (collectively, the “**Subscription Information**”).

- c) The Escrow Agent shall not be required to accept for credit to the Escrow Account or for deposit into the Bank Account checks which are not accompanied by the appropriate Subscription Information, which at minimum shall include the name address, tax identification number and the number of Shares. Wire transfers representing payments by prospective purchasers shall not be deemed deposited in the Escrow Account until the Escrow Agent has received in writing the Subscription Information required with respect to such payments.
- d) The Escrow Agent shall not be required to accept in the Escrow Account any amounts representing payments by prospective purchasers, whether by check or wire, except during the Escrow Agent's regular business hours.
- e) Only those Escrow Amounts, which have been deposited in the Bank Account and which have cleared the banking system and have been collected by the Escrow Agent, are herein referred to as the "Fund."
- f) If the Rights Offering is terminated before the Termination Date, the Escrow Agent shall refund any portion of the Fund prior to disbursement of the Fund in accordance with Article 4 hereof upon instructions in writing signed by the Issuer.

4. Disbursement from the Bank Account.

- a) If by the close of regular banking hours on the Termination Date the Issuer informs the Escrow Agent that the Rights Offering has been terminated, (the "Termination Contingencies"), then the Escrow Agent shall promptly refund to each prospective purchaser the amount of payment received from such purchaser which is then held in the Fund or which thereafter clears the banking system, without interest thereon or deduction therefrom, by drawing checks on the Bank Account for the amounts of such payments and transmitting them to the purchasers. In such event, the Escrow Agent shall promptly notify the Issuer of its distribution of the Fund.
- b) If at any time up to the close of regular banking hours on the Termination Date the Termination Contingencies have been satisfied, the Escrow Agent shall promptly notify the Issuer of such fact in writing. The Escrow Agent shall promptly disburse the Fund, by drawing checks on the Bank Account in accordance with instructions in writing signed by the Issuer as to the disbursement of the Fund, promptly after it receives such instructions.

- c) Upon disbursement of the Fund pursuant to the terms of this Article 4, the Escrow Agent shall be relieved of all further obligations and released from all liability under this Agreement. It is expressly agreed and understood that in no event shall the aggregate amount of payments made by the Escrow Agent exceed the amount of the Fund.

5. **Rights, Duties and Responsibilities of the Escrow Agent.** It is understood and agreed that the duties of the Escrow Agent are purely ministerial in nature, and that:

- a) The Escrow Agent shall notify the Issuer on a weekly basis, of the Escrow Amounts which have been deposited in the Bank Account and of the amounts, constituting the Fund, which have cleared the banking system and have been collected by the Escrow Agent.
- b) The Escrow Agent shall not be responsible for or be required to enforce any of the terms or conditions of the dealer-manager agreement or any other agreement between the Dealer-Manager and the Issuer nor shall the Escrow Agent be responsible for the performance by the Dealer-Manager or the Issuer of their respective obligations under this Agreement.
- c) The Escrow Agent shall not be required to accept any Subscription Information pertaining to prospective purchasers unless such Subscription Information is accompanied by checks or wire transfers meeting the requirements of Section 3(a), nor shall the Escrow Agent be required to keep records of any information with respect to payments deposited except as to the amount of such payments; however, the Escrow Agent shall notify the Issuer within a reasonable time of any discrepancy between the amount set forth in any Subscription Information and the amount delivered to the Escrow Agent therewith. Such amount need not be accepted for deposit in the Escrow Account until such discrepancy has been resolved.
- d) The Escrow Agent shall be under no duty or responsibility to enforce collection of any check delivered to it hereunder. The Escrow Agent, within a reasonable time, shall return any check received which is dishonored, together with the Subscription Information, if any, which accompanied such check.
- e) The Escrow Agent shall be entitled to rely upon the accuracy, act in reliance upon the contents, and assume the genuineness of any notice, instruction, certificate, signature, instrument or other document which is given to the Escrow Agent pursuant to this Agreement without the necessity of the Escrow Agent verifying the truth or accuracy thereof. The Escrow Agent shall not be obligated to make any inquiry as to the authority, capacity, existence or identity or any person purporting to give any such notice or instructions or to execute any such certificate, instrument or other document.

- f) If the Escrow Agent is uncertain as to its duties or rights hereunder or shall receive instructions with respect to the Bank Account, the Escrow Amounts or the Fund which, in its sole determination, are in conflict either with other, instructions received by it or with any provision of this Agreement, it shall be entitled to hold the Escrow Amounts, the Fund, or a portion thereof, in the Bank Account pending the resolution of such uncertainty to the Escrow Agent's sole satisfaction, by final judgment of a court or courts of competent jurisdiction or otherwise; or the Escrow Agent, at its sole option, may deposit the Fund (and any other Escrow Amounts that thereafter become part of the Fund) with the Clerk of a court of competent jurisdiction in a proceeding to which all parties in interest are joined. Upon the deposit by the Escrow Agent of the Fund with the Clerk of any court, the Escrow Agent shall be relieved of all further obligations and released from all liability hereunder.
- g) The Escrow Agent shall not be liable for any action taken or omitted hereunder, or for the misconduct of any employee, agent or attorney appointed by it, except in the case of willful misconduct or gross negligence. The Escrow Agent shall be entitled to consult with counsel of its own choosing and shall not be liable for any action taken, suffered or omitted by it in accordance with the advice of such counsel.
- h) The Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Escrow Amounts, the Fund or any part thereof or to file any statement under the Uniform Commercial Code with respect to the Fund or any part thereof.

6. Amendment: Resignation.

- a) This Agreement may be altered or amended only with the written consent of the Issuer and the Escrow Agent.
- b) The Escrow Agent may resign for any reason upon thirty (30) business days' written notice to the Issuer. Should the Escrow Agent resign as herein provided, it shall not be required to accept any deposit, make any disbursement or otherwise dispose of the Escrow Amounts or the Fund, but its only duty shall be to hold the Escrow Amounts until they clear the banking system and the Fund for a period of not more than five (5) business days following the effective date of such resignation, at which time (a) if a successor escrow agent shall have been appointed and written notice thereof (including the name and address of such successor escrow agent) shall have been given to the resigning Escrow Agent by the Issuer and such successor escrow agent, then the resigning Escrow Agent shall pay over to the successor escrow agent the Fund, less any portion thereof previously paid out in accordance with this Agreement; or (b) if the resigning Escrow Agent shall not have received written notice signed by the Issuer and a successor escrow agent, then the resigning Escrow Agent shall promptly refund the amount in the Fund to each prospective purchaser without interest thereon or deduction therefrom, and the resigning Escrow Agent shall promptly notify the Issuer in writing of its liquidation and distribution of the Fund; whereupon, in either case, the Escrow Agent shall be relieved of all further obligations and released from all liability under this Agreement. Without limiting the provisions of Section 8 hereof, the resigning Escrow Agent shall be entitled to be reimbursed by the Issuer and the Dealer-Manager for any actual expenses incurred in connection with its resignation, transfer of the Fund to a successor escrow agent or distribution of the Fund pursuant to this Section 6.

7. **Representations and Warranties.** The Issuer hereby represents and warrants to the Escrow Agent that:
- a) No party other than the parties hereto and the prospective purchasers have, or shall have, any lien, claim or security interest in the Escrow Amounts or the Fund or any part thereof.
 - b) No financing statement under the Uniform Commercial Code is on file in any jurisdiction claiming a security interest in or describing (whether specifically or generally) the Escrow Amounts or the Fund or any part thereof.
 - c) The Subscription Information submitted with each deposit shall, at the time of submission and at the time of disbursement of the Fund, be deemed a representation and warranty that such deposit represents a bona fide payment by the purchaser described therein for the amount of Shares set forth in such Subscription Information.
 - d) All of the information contained in the Information Sheet is, as of the date hereof, and will be, at the time of any disbursement of the Fund, true and correct.
8. **Fees and Expenses.** The Escrow Agent shall be entitled to the Escrow Agent Fees set forth on the Information Sheet, payable as and when stated therein. In addition, the Issuer agrees to reimburse the Escrow Agent for reasonable expenses incurred in connection with this Agreement, including, but not limited to, reasonable counsel fees. The Escrow Agent shall have a lien upon the Fund to the extent of its fees for services as Escrow Agent.
9. **Indemnification and Contribution.**
- a) The Issuer agrees to indemnify the Escrow Agent and its officers, directors, employees, agents and shareholders (collectively referred to as the “**Indemnitees**”) against, and hold them harmless of and from, any and all loss, liability, cost, damage and expense, including without limitation, reasonable counsel fees, which the Indemnitees may suffer or incur by reason of any action, claim or proceeding brought against the Indemnitees arising out of or relating in any way to this Agreement or any transaction to which this Agreement relates, unless such action, claim or proceeding is the result of the willful misconduct or gross negligence of the Indemnitees.

- b) If the indemnification provided for in Section 9(a) is applicable, but for any reason is held to be unavailable, the Issuer shall contribute such amounts as are just and equitable to pay, or to reimburse the Indemnitees for, the aggregate of any and all losses, liabilities, costs, damages and expenses, including counsel fees, actually incurred by the Indemnitees as a result of or in connection with, and any amount paid in settlement of, any action, claim or proceeding arising out of or relating in any way to any actions or omissions of the Indemnitors.
- c) The provisions of this Article 9 shall survive any termination of this Agreement, whether by disbursement of the Fund, resignation of the Escrow Agent or otherwise.
10. **Governing Law and Assignment.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that any assignment or transfer by any party of its rights under this Agreement or with respect to the Escrow Amounts or the Fund shall be void as against the Escrow Agent unless (a) written notice thereof shall be given to the Escrow Agent; and (b) the Escrow Agent shall have consented in writing to such assignment or transfer.
11. **Notices.** All notices required to be given in connection with this Agreement shall be sent by registered or certified mail, return receipt requested, or by hand delivery with receipt acknowledged, or by the Express Mail service offered by the United States Post Office, and addressed, if to the Issuer at its respective address set forth on the Information Sheet, and if to the Escrow Agent, at its address set forth above.
12. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.
13. **Execution in Counterparts.** This Agreement may be executed in several counterparts or by separate instruments, and all of such counterparts and instruments shall constitute one agreement, binding on all of the parties hereto.
14. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings (written or oral) of the parties in connection therewith.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

SECURITIES TRANSFER CORPORATION

BY: _____
NAME:
TITLE:

CHANTICLEER HOLDINGS, INC.

BY: _____
NAME:
TITLE:

EXHIBIT A

ESCROW AGREEMENT INFORMATION SHEET

The Issuer:

Name: Chanticleer Holdings, Inc.
Address: 7621 Little Avenue, Suite 414
Charlotte, NC 28226

The Dealer-Managers

Name: Chardan Capital Markets, LLC
Address: 17 State Street, Suite 2100
New York, NY 10004

Name: The Oak Ridge Financial Services Group, Inc.
Address: 701 Xenia Avenue, Suite 100
Minneapolis, MN 55416

The Rights:

Non-transferrable subscription rights to purchase shares of the Issuer's common stock.

Conditions Required for Disbursement of the Escrow Account:

Plan of Distribution of the Rights:

Initial Offering Period: Through 5:00 p.m., Eastern time, on [____], 2019.
Extension Period, if any: up to thirty (30) calendar days after the expiration of the Initial Offering Period.

Title of Escrow Agent:

“Securities Transfer Corporation, as Rights Agent for Chanticleer Holdings, Inc.”

Escrow Agent Fees and Charges:

\$3,500.00 payable at signing of the Escrow Agreement. Includes up to 200 incoming shareholder payments. \$10 per incoming shareholder payment thereafter. A fee of \$500 will be payable for document review services related to each amendment/extension to the Escrow Agreement. In addition, the Escrow Agent shall be paid a fee of \$250.00 for each additional escrow break beyond the Initial Escrow Break.

Distribution charges:

\$4.99 per check
\$100.00 per check returned (NSF) check
Bank Fees + \$10 per wire

CHANTICLEER HOLDINGS, INC.
DEALER-MANAGER AGREEMENT

May __, 2019

Chardan Capital Markets, LLC
17 State Street, Suite 2100
New York, NY 10004

The Oak Ridge Financial Services Group, Inc.
701 Xenia Avenue, Suite #100
Minneapolis, Minnesota 55416

As Dealer-Managers

Ladies and Gentlemen:

The following will confirm our agreement relating to the proposed rights offering (the "**Rights Offering**") to be undertaken by Chanticleer Holdings, Inc., a Delaware corporation (the "**Company**"), pursuant to which the Company will distribute to holders of record of its common stock, par value \$0.0001 per share (the "**Common Stock**"), and certain holders of its warrants to purchase shares of Common Stock subscription rights (the "**Rights**") to subscribe for up to an aggregate of _____ shares of Common Stock (the "**Rights Shares**"), at a subscription price of \$____ per Rights Share in cash (the "**Subscription Price**").

1. The Rights Offering.

(a) The Company proposes to undertake the Rights Offering, pursuant to which each holder of Common Stock and certain warrants shall receive three Rights for each share of Common Stock and each share of Common Stock underlying warrants held of record at 4:00 p.m. New York City time on June 7, 2019 (the "**Record Date**"). Holders of Rights will be entitled to subscribe for and purchase, at the Subscription Price, one Share for each Right held (the "**Basic Subscription Right**"). Rights may only be exercised for whole Rights Shares; no fractional Rights Shares will be issued in the Rights Offering.

(b) The Rights will not trade or be listed for quotation on any exchange or service, and shall be non-transferable.

(c) Any holder of Rights who fully exercises all Basic Subscription Rights issued to such holder is entitled to subscribe for Rights Shares which were not otherwise subscribed for by others pursuant to their Basic Subscription Rights (the "**Over-Subscription Right**"). The Over-Subscription Right shall allow a holder of a Right to subscribe for an additional amount of Rights Shares above the amount which such holder was otherwise entitled to subscribe. Rights Shares acquired pursuant to the Over-Subscription Right are subject to allotment, as more fully discussed in the Prospectus (as defined herein).

(d) The Rights will expire at 5:00 p.m., New York City time, on _____, 2019 (the **Expiration Date**). The Company shall have the right to extend the Expiration Date in its sole discretion. Any Rights not exercised on or before the Expiration Date will expire worthless without any payment to the holders of unexercised Rights.

(e) All funds from the exercise of Basic Subscription Rights and Over- Subscription Rights will be deposited with Securities Transfer Corporation (**STC**), as subscription agent (in this context, the **Subscription Agent**), and held in a segregated account with the Subscription Agent pending a final determination of the number of Rights Shares to be issued pursuant to the exercise of Basic Subscription Rights and Over-Subscription Rights. The Company may conduct a closing of the Rights Offering (a **Closing**) at its sole discretion at any time following the Expiration Date.

2. Appointment as Dealer-Manager; Role of Dealer-Manager.

(a) On the terms and conditions set forth herein, the Company hereby appoints Chardan Capital Markets, LLC (**Chardan**) and The Oak Ridge Financial Services Group, Inc. (**Oak Ridge**) as the dealer-managers (each a **Dealer-Manager**) and together, the **Dealer-Managers**) for the Rights Offering and authorizes the Dealer-Managers to act as such in connection with the Rights Offering.

(b) The services previously provided by the Dealer-Managers under that certain engagement letter, dated April 5, 2019, between the Company and the Dealer-Managers (the **Engagement Letter**), or to be provided by the Dealer-Managers through the Closing, consist of the following:

(i) providing marketing assistance in connection with the conduct of the Rights Offering (which shall include assisting the Company in drafting a presentation that may be used to market the Rights Offering to investors and assistance in the coordination of the Rights Offering together with STC);

(ii) providing financial advice to the Company in connection with the Rights Offering (including advice regarding the structure, pricing, timing and other terms and conditions of the Rights Offering);

(iii) responding to requests for information and materials in connection with the Rights Offering (it being agreed that STC (in this capacity, as the **Information Agent**) will be the Company's primary third party source of information regarding the Rights Offering and will be identified by the Company as such in the Registration Statement (as defined herein)) (the services described in clauses (i), (ii) and (iii) being collectively referred to as the **Advisory Services**); and

(iv) in accordance with customary practice, using best efforts to market the Rights Offering to new investors and to solicit the exercise of the Rights and subscriptions for the Rights Shares pursuant to the Offer Documents (as defined herein) (the services described in this clause (iv) being referred to as the **Solicitation Services**);

(c) The services of the Dealer-Managers described in clauses (b)(iii) and (iv) above shall commence on the date that the Registration Statement is declared effective by the U.S. Securities and Exchange Commission (the **Commission**). The Company hereby authorizes the Dealer-Managers, or one or more registered broker-dealers chosen exclusively by the Dealer-Managers, to act as the Company's agent in making the Rights Offering to residents of such states as to which such agent designation may be necessary to comply with applicable law.

(d) The Company hereby acknowledges that each of Chardan and Oak Ridge is acting only as a dealer- manager in connection with the Rights Offering. The Dealer-Managers shall not (and shall not be obligated to) underwrite or place any Rights or any Rights Shares, and the Company acknowledges and agrees that each of Chardan's and Oak Ridge's participation as Dealer-Manager does not ensure or guarantee that the Company will raise any funds through the Rights Offering.

(e) The Company further acknowledges that each of Chardan and Oak Ridge is acting as an independent contractor pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis and in no event do the parties intend that Chardan or Oak Ridge act or be responsible as a fiduciary to the Company, its management, shareholders, creditors or any other natural person, partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity or organization (each, a "**Person**") in connection with any activity that Chardan or Oak Ridge may undertake or has undertaken in furtherance of the Rights Offering, either before or after the date hereof. Each of Chardan and Oak Ridge hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company, Chardan and Oak Ridge agree that each party is responsible for making its own independent judgments with respect to any such transactions, and that any opinions or views expressed by Chardan or Oak Ridge to the Company regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against Chardan or Oak Ridge with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

3. No Liability for Acts of Brokers, Dealers, Banks and Trust Companies The Dealer-Managers shall not be subject to any liability to the Company (or any of the Company's Subsidiaries (as defined below) or "Affiliates," as such term is defined in Rule 144 under the Securities Act of 1933, as amended (the "**Securities Act**"), for any act or omission on the part of any broker or dealer in securities (other than the Dealer-Managers) or any bank or trust company or any other Person, and no Dealer-Manager shall be liable for its own acts or omissions in performing its obligations as advisor or Dealer-Manager hereunder or otherwise in connection with the Rights Offering or the related transactions, except for any losses, claims, damages, liabilities and expenses determined in a final judgment by a court of competent jurisdiction to have resulted directly from any such acts or omissions undertaken or omitted to be taken by such Dealer-Manager through its gross negligence, intentional omission or willful misconduct. In soliciting or obtaining exercises of Rights, no Dealer-Manager shall be deemed to be acting as the agent of the Company or as the agent of any broker, dealer, bank or trust company, and no broker, dealer, bank or trust company shall be deemed to be acting as such Dealer-Manager's agent or as the agent of the Company. As used herein, the term "Subsidiary" means a significant subsidiary of the Company as defined as defined in Rule 1-02 (w) of Regulation S-X of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Unless the context specifically requires otherwise, the term "Company" as used in this Agreement means the Company and its Subsidiaries collectively on a consolidated basis.

4. The Offer Documents

(a) There will be used in connection with the Rights Offering certain materials in addition to the Registration Statement, any Preliminary Prospectus or the Prospectus (each as defined herein), including: (i) all exhibits to the Registration Statement which pertain to the conduct of the Rights Offering; and (ii) any soliciting materials relating to the Rights Offering approved by the Company (collectively with the Registration Statement, any Preliminary Prospectus and the Prospectus, the “**Offer Documents**”). Each Dealer-Manager shall be given such opportunity to review and comment upon the Offer Documents.

(b) The Company agrees to furnish the Dealer-Managers with as many copies as it may reasonably request of the final forms of the Offer Documents and each Dealer-Manager is authorized to use copies of the Offer Documents in connection with its acting as Dealer-Manager. The Dealer-Managers hereby agree that they will not disseminate any written material for or in connection with the solicitation of exercises of Rights pursuant to the Rights Offering other than the Offer Documents.

(c) The Company represents and agrees that no solicitation material, other than the Offer Documents and the documents to be filed therewith as exhibits thereto (each in the form of which has been approved by the Dealer-Managers), will be used in connection with the Rights Offering by or on behalf of the Company without the prior approval of the Dealer-Managers, which approval will not be unreasonably withheld. In the event that the Company uses or permits the use of any such solicitation material in connection with the Rights Offering, then the Dealer-Managers shall be entitled to withdraw as Dealer-Managers in connection with the Rights Offering and the related transactions without any liability or penalty to the Dealer-Manager or any other Person identified in Section 11 hereof as an “indemnified party,” and each Dealer-Manager shall be entitled to receive the payment of all fees and expenses payable under this Agreement or the Engagement Letter which have accrued to the date of such withdrawal.

5. Representations and Warranties. The Company represents and warrants to the Dealer-Managers that:

(a) The Registration Statement on Form S-1 (Registration No. 333- _____) with respect to the Rights and the Rights Shares has: (i) been prepared by the Company in conformity with, in all material respects, the requirements of the Securities Act and the rules and regulations of the Commission (the “**Rules and Regulations**”) promulgated under the Securities Act; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such Registration Statement as amended to date have been delivered or made available by the Company to the Dealer-Managers. For purposes of this Agreement, “**Effective Time**” means the date and the time as of which such registration statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission; “**Effective Date**” means the date of the Effective Time; “**Preliminary Prospectus**” means each prospectus included in such registration statement, or amendments thereof, before it becomes effective under the Securities Act and any prospectus filed with the Commission by the Company with the consent of the Dealer-Managers pursuant to Rule 424(a) of the Rules and Regulations; “**Registration Statement**” means such registration statement, as amended at the Effective Time, including any documents which are exhibits thereto; and “**Prospectus**” means such final prospectus, as first filed with the Commission pursuant to paragraph (1) or (4) of Rule 424(b) of the Rules and Regulations. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus. All references in this Agreement to the Registration Statement, a Preliminary Prospectus, and the Prospectus, or any amendments or supplements to any of the foregoing shall be deemed to include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System (“**EDGAR**”). Additionally, any reference in this Agreement to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-1 under the Securities Act, as of the effective date of the Registration Statement or the date of such Preliminary Prospectus or the Prospectus, as the case may be. The Prospectus delivered to the Dealer-Managers for use in connection with the Rights Offering will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T promulgated by the Commission.

(b) The Registration Statement (together with all exhibits filed as part of the Registration Statement) conforms, and any Preliminary Prospectus and the Prospectus and any further amendments or supplements to the Registration Statement conform or will conform, when they are filed with or become effective by the Commission, as the case may be, in each case, in all material respects, to the requirements of the Securities Act and the Rules and Regulations and collectively do not and will not, as of the applicable Effective Date (as to the Registration Statement and any amendment thereto) and as of the applicable filing date (as to the Prospectus and any amendment or supplement thereto) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (with respect to the Prospectus, in the light of the circumstances under which they were made) not misleading; provided that no representation or warranty is made by the Company as to information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer-Managers specifically for inclusion therein, it being acknowledged and agreed that such information provided by or on behalf of the Dealer-Managers consists solely and exclusively of the following disclosure contained in the Prospectus (collectively, the “**Dealer-Manager Information**”): (i) the names of Chardan and Oak Ridge acting in their capacity as dealer-managers for the Rights Offering; (ii) “Prospectus Summary - The Rights Offering — Distribution Arrangements”; (iii) “Description of Subscription Rights – Distribution Arrangements;” and (iv) “Plan of Distribution.”

(c) Neither: (i) any Issuer-Represented General Free Writing Prospectus(es) (as defined below) issued at or prior to the Closing and the Prospectus, all considered together (collectively, the “**General Disclosure Package**”), nor (ii) any individual Issuer-Represented Limited-Use Free Writing Prospectus(es) (as defined below), when considered together with the General Disclosure Package, includes or will include as of the Closing any untrue statement of a material fact or omits or will omit as of the Closing to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any Prospectus included in the Registration Statement, the General Disclosure Package or any Issuer-Represented Limited-Use Free Writing Prospectus in conformity with written Dealer-Manager Information. For purposes of this Agreement, (x) “Issuer-Represented Free Writing Prospectus” means any “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act, relating to the Rights that (A) is required to be filed with the Commission by the Company, or (B) is exempt from filing pursuant to Rule 433(d)(5)(i) under the Securities Act because it contains a description of the Rights or of the Rights Offering that does not reflect the final terms or pursuant to Rule 433(d)(8)(ii) because it is a “bona fide electronic road show,” as defined in Rule 433 under the Securities Act, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company’s records pursuant to Rule 433(g) under the Securities Act; (y) “Issuer-Represented General Free Writing Prospectus” means any Issuer-Represented Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being specified in Schedule I to this Agreement; and (z) “Issuer-Represented Limited-Use Free Writing Prospectus” means any Issuer-Represented Free Writing Prospectus that is not an Issuer-Represented General Free Writing Prospectus. The term Issuer-Represented Limited-Use Free Writing Prospectus also includes any “bona fide electronic road show,” as defined in Rule 433 under the Securities Act, that is made available without restriction pursuant to Rule 433(d)(8)(ii), even though not required to be filed with the Commission.

(d) Each Issuer-Represented Free Writing Prospectus, if any, as of its issue date and at all subsequent times until the Closing or until any earlier date that the Company notified or notifies the Dealer-Managers as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the then-current Registration Statement or Prospectus. If at any time following issuance of an Issuer-Represented Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer-Represented Free Writing Prospectus conflicted or would conflict with the information contained in the then-current Registration Statement or Prospectus relating to the Rights or the Rights Shares or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances prevailing at that subsequent time, not misleading, the Company has notified or will notify promptly the Dealer-Managers so that any use of such Issuer-Represented Free Writing Prospectus may cease until it is promptly amended or supplemented by the Company, at its own expense, to eliminate or correct such conflict, untrue statement or omission.

(e) The Company has not distributed and will not distribute any prospectus or other offering material in connection with the Rights Offering and sale of the Rights Shares other than the General Disclosure Package, any Issuer-Represented Limited-Use Free Writing Prospectus or the Prospectus or other materials permitted by the Securities Act to be distributed by the Company. Unless the Company obtains the prior consent of the Dealer-Managers, the Company has not made and will not make any offer relating to the Rights Shares that would constitute an “issuer free writing prospectus,” as defined in Rule 433 under the Securities Act, or that would otherwise constitute a “free writing prospectus,” as defined in Rule 405 under the Securities Act, required to be filed with the Commission; provided that the prior written consent of the Dealer-Managers shall be deemed to have been given in respect of any free writing prospectus referenced on Schedule I attached hereto. The Company has complied and will comply with the requirements of Rules 164 and 433 under the Securities Act applicable to any Issuer-Represented Free Writing Prospectus as of its issue date and at all subsequent times through the Closing, including timely filing with the Commission where required, legending and record keeping. To the extent an electronic road show is used, the Company has satisfied and will satisfy the conditions in Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show.

(f) There are no contracts, agreements, plans or other documents which are required to be described in the Prospectus or filed as exhibits to the Registration Statement by the Securities Act or by the Rules and Regulations which have not been described in the Prospectus or filed as exhibits to the Registration Statement or referred to in, or incorporated by reference into, the exhibit table of the Registration Statement as permitted by the Rules and Regulations.

(g) The Company and each of its Subsidiaries have been duly incorporated and are validly existing as corporations or limited liability companies in good standing under the laws of their respective jurisdictions of incorporation or formation, are duly qualified to do business and are in good standing as foreign corporations or limited liability companies in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the absence of such power or authority (either individually and in the aggregate) could not reasonably be expected to have a material adverse effect on: (i) the business, condition (financial or otherwise), results of operations, shareholders’ equity, properties or prospects (as such prospects are disclosed or described in the Prospectus) of the Company or its Subsidiaries; (ii) the long-term debt or capital stock of the Company or its Subsidiaries; or (iii) the Rights Offering or consummation of any of the other transactions contemplated by this Agreement, the Registration Statement or the Prospectus (any such effect being a “**Material Adverse Effect**”).

(h) This Agreement has been duly authorized, executed and delivered by the Company and, assuming the due authorization, execution and delivery by the Dealer-Managers, constitutes the valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally and by general principles of equity.

(i) Except as set forth in the Registration Statement and Prospectus, neither the Company nor any of its Subsidiaries: (i) is in violation of its charter or by-laws, (ii) in default under or in breach of, and no event has occurred which, with notice or lapse of time or both, would constitute a default or breach under or result in the creation or imposition of any lien, charge, mortgage, pledge, security interest, claim, equity, trust or other encumbrance, preferential arrangement, defect or restriction of any kind whatsoever (each, a “**Lien**”) upon any of their property or assets pursuant to, any material contract (including Government Contracts (as defined below), agreement, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation in any respect of any law, rule, regulation, ordinance, directive, judgment, decree or order, foreign and domestic, to which it or its properties or assets may be subject or has failed to obtain any material license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its properties or assets or to the conduct of its business, except, in the case of clauses (ii) and (iii) above, any violation, default or failure to possess the same that would not have a Material Adverse Effect.

Each Government Contract is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms against all parties thereto and was awarded in compliance with applicable Law (as defined below). The Company has complied in all material respects with all terms and conditions of each Government Contract, including all clauses, provisions and requirements incorporated expressly by reference or by operation of Law therein and including any requirements relating to the charging of prices or costs, minimum qualifications of personnel and warranties. No Government Contract has, to date, or is currently projected to have, fully burdened costs incurred in excess of the Government Contract fixed price, or, in the case of flexibly-priced or cost-reimbursement contracts, fully burdened costs incurred in excess of the ceiling price or funded amount of the Government Contract. The Company is not aware of any adverse or negative past performance evaluations or ratings pertaining to any Government Contract. There has not been any withholding or setoff of any payments by a Governmental Authority or prime contractor or higher-tier subcontractor nor, to the Company's knowledge, has there been any attempt to withhold or setoff, any payments due under any Government Contract on any basis, including the basis that a cost incurred or invoice rendered by the Company was questioned or disallowed by a Governmental Authority, prime contractor or higher-tier subcontractor or any of their audit representatives, nor is there any basis for any such withhold or setoff. "**Government Contract**" means any material prime contract, subcontract, teaming agreement or arrangement, joint venture, basic ordering agreement, blanket purchase agreement, pricing agreement, letter contract, contract awarded under the Federal Supply Schedule program, purchase order, task order or delivery order or other Contract or similar arrangement of any kind, between the Company and (a) any Governmental Authority, (b) any prime contractor of a Governmental Authority in its capacity as a prime contractor, or (c) any subcontractor (or lower tier subcontractor) with respect to any contract of a type described in clauses (a) or (b) above. "**Governmental Authority**" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute resolving panel or body and shall include any Person acting on behalf of a such Governmental Authority. "**Law**" means any federal, state, local, municipal, foreign or other law, statute, legislation, principle of common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, requirement, writ, injunction, settlement, Permit or Order that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

(j) Prior to or on the date hereof the Company and STC have or will have entered into a subscription and information agent agreement (the "**Agent Agreement**"). When executed by the Company, the Agent Agreement will have been duly authorized, executed and delivered by the Company and, assuming due authorization, execution and delivery by STC, will constitute a valid and legally binding agreement of the Company enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by general principles of equity.

(k) The Rights to be issued and distributed by the Company have been duly and validly authorized and, when issued and delivered in accordance with the terms of the Offer Documents, will be duly and validly issued, and will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, no holder of the Rights is or will be subject to personal liability by reason of being such a holder, and the Rights conform to the description thereof contained in the Prospectus.

(m) The Rights Shares have been duly authorized and reserved for issuance by all necessary corporate action on the part of the Company and, when issued and delivered and paid for, will be validly issued, fully paid, nonassessable and free of preemptive rights and will conform to the description thereof in the Prospectus.

(n) The Common Stock is listed for trading on the Nasdaq Capital Market (“**Nasdaq**”). Except as set forth in (i) the Company’s filings with the Commission or (ii) the Registration Statement, the Company has not received an oral or written notification from Nasdaq or any court or any other federal, state, local or foreign governmental or regulatory authority having jurisdiction over the Company or any of its Subsidiaries or any of their properties or assets (“**Governmental Authority**”) of any inquiry or investigation or other action that would cause the Common Stock, including the Rights Shares, to not be listed for trading on Nasdaq.

(o) The Company has an authorized capitalization as set forth under the caption “Description of Securities” in the Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and have been issued in compliance with federal and state securities laws. None of the outstanding shares of the Company capital stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those accurately described in the Registration Statement and Prospectus. The description of the Company’s stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Registration Statement accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements, options and rights.

(p) The Company and its Subsidiaries own or lease all such assets or properties as are necessary to the conduct of its business as presently operated and as proposed to be operated as described in the Registration Statement and the Prospectus. The Company or its Subsidiaries have good and marketable title in fee simple to all assets or real property and good and marketable title to all personal property owned by them, in each case free and clear of any Lien, except for such (i) Liens as are described in the Registration Statement and the Prospectus, (ii) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (iii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP, and the payment of which is neither delinquent nor subject to penalties. Any assets or real property and buildings held under lease or sublease by the Company or any Subsidiary is held under valid, subsisting and enforceable leases with such exceptions as are not material to, and do not interfere with, the use made and proposed to be made of such property and buildings by the Company or such Subsidiary. Neither the Company nor any Subsidiary has received any notice of any material claim adverse to its ownership of any real or personal property or of any material claim against the continued possession of any real property, whether owned or held under lease or sublease by the Company or any Subsidiary.

(q) The execution, delivery and performance of this Agreement by the Company, the issuance of the Rights in accordance with the terms of the Offer Documents, the issuance of Rights Shares in accordance with the terms of the Rights Offering, and the consummation by the Company of the transactions contemplated hereby, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement or other material agreement (including any agreement with any broker dealer, placement agent, financial advisor or similar person or entity) or instrument to which the Company or any of its Subsidiaries or any of its Affiliates is a party or by which the Company or any of its Subsidiaries or its Affiliates is bound or to which any of the properties or assets of the Company or any of its Subsidiaries or its Affiliates is subject, nor will such actions result in any violation of the provisions of the charter or by-laws of the Company or any of its Subsidiaries or any statute or any order, rule or regulation of any Governmental Authority, except where such violation would not reasonably be expected to have a Material Adverse Effect; and except for the registration of the Rights and the Rights Shares under the Securities Act and such consents, approvals, authorizations, registrations or qualifications as may be required under the Exchange Act and applicable state securities laws in connection with the distribution of the Rights and the sale of the Rights Shares by the Company, no consent, approval, authorization or order of, or filing or registration with, any such court or Governmental Authority is required for the execution, delivery and performance of this Agreement by the Company and the consummation by it of the transactions contemplated hereby.

(r) Except as otherwise set forth in the Registration Statement and the Prospectus, there are no contracts, agreements or understandings between the Company and any Person granting such Person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such Person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act. No holder of any security of the Company has any rights of rescission of similar rights with respect to such securities held by them.

(s) Neither the Company nor any of its Subsidiaries has sustained, since the date of the latest balance sheet included in the Prospectus or after such date and as disclosed in the Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; and, since such date or after such date and as disclosed in the Prospectus, there has not been any change in the capital stock or long-term debt of the Company or any of its Subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity, results of operations or prospects (as such prospects are disclosed or described in the Prospectus) of the Company and its Subsidiaries (a "**Material Adverse Change**"). Since the date of the latest balance sheet presented in the Prospectus, the Company has not incurred or undertaken any liabilities or obligations, whether direct or indirect, liquidated or contingent, matured or unmatured, or entered into any transactions, including any acquisition or disposition of any business or asset, which are material to the Company, except for liabilities, obligations and transactions which are disclosed in the Registration Statement, any Preliminary Prospectus and the Prospectus.

(t) Cherry Bekaert LLP ("**Cherry Bekaert**"), whose reports relating to the Company are included in the Registration Statement, are independent public accountants as required by the Securities Act, the Exchange Act, the Rules and Regulations and the rules and regulations promulgated by the Public Company Accounting Oversight Board (the "**PCAOB**"). Cherry Bekaert is duly registered and in good standing with the PCAOB. Cherry Bekaert has not, during the periods covered by the financial statements included in the Registration Statement, the Preliminary Prospectus and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

(u) The financial statements, including the notes thereto, and any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the financial position as of the dates indicated and the cash flows and results of operations for the periods specified of the Company. Except as otherwise stated in the Registration Statement, any Preliminary Prospectus and the Prospectus, said financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved. Any supporting schedules included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information required to be stated therein. No other financial statements or supporting schedules are required to be included or incorporated by reference in the Registration Statement. The other financial and statistical information included in the Registration Statement, any Preliminary Prospectus and the Prospectus present fairly, in all material respects, the information included therein and have been prepared on a basis consistent with that of the financial statements that are included in the Registration Statement, such Preliminary Prospectus and the Prospectus and the books and records of the respective entities presented therein.

(v) There are no pro forma or as adjusted financial statements which are required to be included in the Registration Statement, any Preliminary Prospectus and the Prospectus in accordance with Regulation S-X under the Securities Act which have not been included as so required. The pro forma and/or as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus has been properly compiled and prepared in accordance with the applicable requirements of the Securities Act and the Rules and Regulations and include all adjustments necessary to present fairly, in all material respects, in accordance with generally accepted accounting principles the pro forma and as adjusted financial position of the respective entity or entities presented therein at the respective dates indicated and their cash flows and the results of operations for the respective periods specified. The assumptions used in preparing the pro forma and as adjusted financial information included in the Registration Statement, any Preliminary Prospectus and the Prospectus provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein. The related pro forma and pro forma as adjusted adjustments give appropriate effect to those assumptions; and the pro forma and pro forma as adjusted financial information reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(w) The statistical, industry-related and market-related data included in the Registration Statement, any Preliminary Prospectus and the Prospectus are based on or derived from sources which the Company reasonably believes are reliable and accurate, and such data agree with the sources from which they are derived. All required third party consents have been obtained in order for such data to be included in the Registration Statement, any Preliminary Prospectus and the Prospectus.

(x) Except as disclosed in the Registration Statement and the Prospectus, the Company maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States generally accepted accounting principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accounting for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) The Company's Board of Directors has validly appointed an audit committee and compensation committee whose composition satisfies the requirements of the rules and regulations of the Commission and Nasdaq and the Company's Board of Directors and/or audit committee and the compensation committee has each adopted a charter and such charters are in full force and effect as of the date hereof. Neither the Company's Board of Directors nor the audit committee thereof has been informed, nor is any director of the Company aware, of: (i) except as disclosed in the Registration Statement and the Prospectus, any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(z) The Company is in material compliance with the provisions of the Sarbanes-Oxley Act of 2002, as amended ("**Sarbanes-Oxley**") applicable to the Company, and the rules and regulations promulgated thereunder and related or similar rules and regulations promulgated by any other Governmental Authority or self-regulatory entity or agency, except for violations which, singly or in the aggregate, are disclosed in the Prospectus or would not have a Material Adverse Effect.

(aa) No relationship, direct or indirect, exists between or among any of the Company or any Affiliate of the Company, on the one hand, and any director, officer, shareholder, customer or supplier of the Company or any Affiliate of the Company, on the other hand, which is required by the Securities Act, the Exchange Act or the Rules and Regulations to be described in the Registration Statement or the Prospectus which is not so described as required. Except as disclosed in the Registration Statement and the Prospectus, there are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members. The Company has not, in violation of Sarbanes-Oxley, directly or indirectly, including through any Affiliate of the Company (other than as permitted under the Sarbanes-Oxley for depository institutions), extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

(bb) Except as described in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its Subsidiaries is a party or of which any property or asset of the Company or any of its Subsidiaries is the subject, including without limitation any federal, state, local or foreign governmental bodies which, if determined adversely to the Company or any of its Subsidiaries, are reasonably likely to have a Material Adverse Effect.

(cc) The Company and its Subsidiaries have filed all necessary federal, state and foreign income and franchise tax returns and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except where the failure to make such filings or make such payments, either individually or in the aggregate, could not reasonably be expected to have, a Material Adverse Effect. The Company has made adequate charges, accruals and reserves in its financial statements above in respect of all federal, state and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its Subsidiaries has not been finally determined.

(dd) Each of the Company and its Subsidiaries maintains insurance of the types and in the amounts which the Company believes to be reasonable and sufficient for a company of its size operating in the Company's industry, including, but not limited to: (i) directors' and officers' insurance (including insurance covering the Company, its directors and officers for liabilities or losses arising in connection with the Rights Offering, including, without limitation, liabilities or losses arising under the Securities Act, the Exchange Act, the Rules and Regulations and applicable foreign securities laws), (ii) insurance covering real and personal property owned or leased against theft, damage, destruction, acts of vandalism and all other risks customarily insured against, (iii) business interruption insurance and (iv) product-related insurance. There are no material claims by the Company or any of its Subsidiaries under any policy or instrument described in this paragraph as to which any insurance company is denying liability or defending under a reservation of rights clause. All of the insurance policies described in this paragraph are in full force and effect. Neither the Company nor any of its Subsidiaries has been refused any insurance coverage sought or applied for, and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(ee) Intellectual Property.

(i) The Company owns, licenses or possesses the right to use sufficient trademarks, trade names, patents, patent rights, copyrights, domain names, licenses, approvals, trade secrets, inventions, technology, know-how and other similar rights (collectively, "**Intellectual Property Rights**") as are reasonably necessary or material to conduct its business as now conducted and contemplated to be conducted, each as described in the Registration Statement, any Preliminary Prospectus and the Prospectus. To the Company's knowledge, all Intellectual Property Rights are valid and enforceable.

(ii) Except as set forth in the Registration Statement, any Preliminary Prospectus and the Prospectus: (A) there is no actual, pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others challenging the rights of the Company and its Subsidiaries and Affiliates in or to any Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (B) there is no actual, pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others that the Company or its Subsidiaries or Affiliates infringes, misappropriates, or otherwise violates any Intellectual Property Rights of others, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (C) there is no actual, pending or, to the Company's knowledge, threatened action, suit, proceeding, or claim by others challenging the validity or scope of any such Intellectual Property Rights owned by the Company or its Subsidiaries or Affiliates and the Company is unaware of any facts which would form a reasonable basis for any such claim; (D) to the Company's knowledge, the operation of the business of the Company, its Subsidiaries and its Affiliates as now conducted and in connection with the development and commercialization of its technology described in the Registration Statement, any Preliminary Prospectus and the Prospectus does not infringe any claim of any patent or published patent application nor would such infringement, misappropriation or violation arise upon the commercialization of any product or service described in the Registration Statement, any Preliminary Prospectus and the Prospectus as under development; (E) to the Company's knowledge, there is no "prior art" of which the Company is aware that may render any patent owned or licensed by the Company invalid or any patent application owned or licensed by the Company or its Subsidiaries or Affiliates unpatentable which has not been disclosed to the applicable government patent office; and (F) the patents, trademarks, and copyrights maintained by the Company or its Subsidiaries or Affiliates are in full force and in effect, and none of such patents, trademarks and copyrights have been adjudged invalid or unenforceable in whole or in part. Neither the Company nor its Subsidiaries or Affiliates is a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other Person that are required to be set forth in the Registration Statement, any Preliminary Prospectus and Prospectus and are not described therein in all material respects.

(ff) Neither the Company nor, to the Company's knowledge, any of the Company's directors, officers or employees has violated: (i) the Bank Secrecy Act, as amended, (ii) the Money Laundering Control Act of 1986, as amended, (iii) the Foreign Corrupt Practices Act, or (iv) the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, and/or the rules and regulations promulgated under any such law, or any successor law, except for such violations which, singly or in the aggregate, would not have a Material Adverse Effect.

(gg) Neither the Company nor any of its Affiliates has, prior to the date hereof, made any offer or sale of any securities which are required to be "integrated" pursuant to the Securities Act or the Rules and Regulations with the issuance or exercise of the Rights or the offer and sale of the Rights Shares pursuant to the Registration Statement.

(hh) Transactions Affecting Disclosure to FINRA.

(i) Except as described in the Registration Statement and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee or other compensation by the Company with respect to the issuance or exercise of the Rights or the sale of the Rights Shares or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, the Company's officers, directors and employees or Affiliates that may affect the Dealer-Managers' compensation, as determined by the Financial Industry Regulatory Authority, Inc. ("FINRA").

(ii) Except as previously disclosed by the Company to the Dealer- Managers in writing, no officer, director, or beneficial owner of 5% or more of any class of the Company's securities (whether debt or equity, registered or unregistered, regardless of the time acquired or the source from which derived) or any other Affiliate is a member or a Person associated, or affiliated with a member of FINRA.

(iii) No proceeds from the exercise of the Rights will be paid to any FINRA member, or any Persons associated or affiliated with a member of FINRA, except as specifically contemplated herein.

(iv) Except as previously disclosed by the Company to the Dealer- Managers, no Person to whom securities of the Company have been privately issued within the 180-day period prior to the initial filing date of the Registration Statement has any relationship or affiliation or association with any member of FINRA.

(ii) There are no contracts, agreements or understandings between the Company and any Person that would give rise to a valid claim against the Company or the Dealer-Managers for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated by this Agreement. Other than the Dealer-Managers, the Company has not employed any brokers, dealers or underwriters in connection with solicitation of exercise of Rights in the Rights Offering, and except provided for in Sections 6 and 7 hereof, no other commissions, fees or discounts will be paid by the Company or otherwise in connection with the Rights Offering.

(jj) The Company and its Subsidiaries have at all times operated their businesses in material compliance with all Environmental Laws, and no material expenditures are or will be required in order to comply therewith. The Company has not received any notice or communication that relates to or alleges any actual or potential violation or failure to comply with any Environmental Laws that will result in a Material Adverse Effect. As used herein, the term "Environmental Laws" means all applicable laws and regulations, including any licensing, permits or reporting requirements, and any action by a Governmental Authority pertaining to the protection of the environment, protection of public health, protection of worker health and safety, or the handling of hazardous materials, including without limitation, the Clean Air Act, 42 U.S.C. § 7401, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1321, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 690-1, et seq., and the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.

(kk) Except as set forth in the Registration Statement, any Preliminary Prospectus or the Prospectus, the Company is not a party to an "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") which: (i) is subject to any provision of ERISA and (ii) is or was at any time maintained, administered or contributed to by the Company and covers any employee or former employee of the Company or any ERISA Affiliate (as defined hereafter). These plans are referred to collectively herein as the "**Employee Plans**." For purposes of this paragraph, "**ERISA Affiliate**" of any Person means any other person or entity which, together with that person or entity, could be treated as a single employer under Section 414(m) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or is an "affiliate," whether or not incorporated, as defined in Section 407(d)(7) of ERISA, of the Person.

(ll) Each employment, severance or other similar arrangement or policy and each material plan or arrangement providing for insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, severance benefits, supplemental unemployment benefits, vacation benefits, retirement benefits or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation or other forms of incentive compensation, or post-retirement insurance, compensation or benefits to which the Company or any Subsidiary is a party and which : (i) is not an Employee Plan, (ii) is entered into, maintained or contributed to, as the case may be, by the Company or any of their respective ERISA Affiliates, and (iii) covers any employee or former employee of the Company or any of their respective ERISA Affiliates (such contracts, plans and arrangements being referred to collectively in this Agreement as the "**Benefit Arrangements**") is fully and accurately disclosed in the Registration Statement to the extent it is material and required to be disclosed by the Securities Act and the Rules and Regulations and has been maintained in substantial compliance with its terms and with requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to that Benefit Arrangement.

(mm) Except as set forth in the Registration Statement, any Preliminary Prospectus or the Prospectus, there is no material liability in respect of post-retirement health and medical benefits for retired employees of the Company or any of their respective ERISA Affiliates other than medical benefits required to be continued under applicable law, determined using assumptions that are reasonable in the aggregate, over the fair market value of any fund, reserve or other assets segregated for the purpose of satisfying such liability (including for such purposes any fund established pursuant to Section 401(h) of the Code). With respect to any of the Company's Employee Plans which are "group health plans" under Section 4980B of the Code and Section 607(1) of ERISA, there has been material compliance with all requirements imposed thereunder such that the Company or their respective ERISA Affiliates have no (and will not incur any) loss, assessment, tax penalty, or other sanction with respect to any such plan.

(nn) The execution of this Agreement and consummation of the Rights Offering does not constitute a triggering event under any Employee Plan or any other employment contract, whether or not legally enforceable, which (either alone or upon the occurrence of any additional or subsequent event) will or may result in any payment (of severance pay or otherwise), acceleration, increase in vesting, or increase in benefits to any current or former participant, employee or director of the Company.

(oo) No "prohibited transaction" (as defined in either Section 406 of the ERISA or Section 4975 of Code), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or other event of the kind described in Section 4043(b) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred with respect to any employee benefit plan for which the Company would have any liability; each employee benefit plan of the Company is in compliance in all material respects with applicable law, including (without limitation) ERISA and the Code; the Company has not incurred and does not expect to incur liability under Title IV of ERISA with respect to the termination of, or withdrawal from any "pension plan"; and each employee benefit plan of the Company that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or by failure to act, which could cause the loss of such qualification.

(pp) Neither the Company nor, to the Company's knowledge, any of the Company's officers, directors, employees or agents has at any time during the last five (5) years: (i) made any unlawful contribution to any candidate for foreign office, or failed to disclose fully any contribution in violation of law; or (ii) made any payment to any federal or state governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments that are not prohibited by the laws of the United States of any jurisdiction thereof.

(qq) The Company has not and will not, directly or indirectly through any officer, director or Affiliate of the Company or through any other Person: (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares, (ii) since the filing of the Registration Statement sold, bid for or purchased, or paid any Person (other than the Dealer-Managers) any compensation for soliciting exercises or purchases of, the Rights or the Rights Shares; and (iii) until the later of the expiration of the Rights or the completion of the distribution (within the meaning of Regulation M under the Exchange Act) of the Rights Shares, sell, bid for or purchase, apply or agree to pay to any Person (other than the Dealer-Manager) any compensation for soliciting another to purchase any other securities of the Company (except for the solicitation of the exercises of Rights pursuant to this Agreement). The foregoing shall not apply to the offer, sale, agreement to sell or delivery with respect to: (i) Rights Shares offered and sold upon exercise of the Rights, as described in the Prospectus; or (ii) any shares of Common Stock sold pursuant to the Company's employee benefit plans.

(rr) As used in this Agreement, references to matters being "material" with respect to the Company or any matter relating to the Company shall mean a material item, event, change, condition, status or effect related to the condition (financial or otherwise), properties, assets (including intangible assets), liabilities, business, prospects (as such prospects are disclosed or described in any Preliminary Prospectus or the Prospectus), operations or results of operations of the Company and its Subsidiaries, taken as a whole.

(ss) As used in this Agreement, the term "Company's knowledge" (or similar language) shall mean the knowledge of the officers of the Company who are named in the Prospectus, with the assumption that such officers shall have made reasonable and diligent inquiry of the matters presented (with reference to what is customary and prudent for the applicable individuals in connection with the discharge by the applicable individuals of their duties as officers or directors of the Company).

(tt) Any certificate signed by or on behalf of the Company and delivered to the Dealer-Managers or to Ellenoff Grossman & Schole LLP, counsel for the Dealer-Managers, shall be deemed to be a representation and warranty by the Company to the Dealer-Managers as to the matters covered thereby.

6. Compensation of the Dealer-Managers. In consideration of the services rendered and to be rendered by the Dealer-Managers to the Company in connection with the Rights Offering, the Company agrees to pay the Dealer-Managers at Closing the following:

(i) to the Dealer-Managers, a cash fee equal to 7.0% of the total gross proceeds generated from the Rights Offering;

(ii) the Dealer-Managers shall receive up to \$75,000 in reimbursement of their expenses (including legal fees) if the Rights Offering occurs. The compensation set forth in this Section 6 of this Agreement shall be paid to the Dealer-Managers within two days of the Closing. Except as provided in Section 6(ii) or Section 11, the Dealer-Managers shall be responsible for their own expenses.

7. Expenses. The Company shall pay or cause to be paid (a) all of its expenses (including any taxes) incurred in connection with the Rights Offering and the preparation, issuance, execution, authentication and delivery of the Rights and the Rights Shares; (b) all fees, expenses and disbursements of the Company's accountants, legal counsel and other third party advisors; (c) all fees and expenses of the Subscription Agent and the Information Agent set forth in the Agent Agreement; (d) all fees, expenses and disbursements (including, without limitation, fees and expenses of the Company's accountants and counsel) in connection with the preparation, printing, filing, delivery and shipping of the Registration Statement (including the financial statements therein and all amendments and exhibits thereto), each Preliminary Prospectus, the Prospectus, the other Offer Documents and any amendments or supplements of the foregoing; (e) all fees, expenses and disbursements relating to the registration or qualification of the Rights and the Rights Shares under the "blue sky" securities laws of any states or other jurisdictions and all fees and expenses associated with the preparation of the preliminary and final forms of Blue Sky Memoranda; (f) all filing fees of the Commission; (g) all filing fees relating to the review of the Rights Offering by FINRA; (h) any applicable listing or other fees; (i) the cost of printing certificates representing the Rights and the Rights Shares; (j) all advertising charges pertaining to the Rights Offering agreed to by the Company; (k) the cost and charges of the Company's transfer agent(s) or registrar(s) agreed to by the Company; and (l) all other costs and expenses incident to the performance of its obligations hereunder for which provision is not otherwise made in this Section. The Company shall perform its obligations set forth in this Section 7 whether or not the Rights Offering commences or any Rights are exercised pursuant to the Rights Offering.

8. Shareholder Lists; Subscription Agent.

(a) The Company will cause the Dealer-Managers to be provided with any cards or lists showing the names and addresses of, and the number of shares of Common Stock held by, the holders of shares of Common Stock as of a recent date and will use its best efforts to cause the Dealer-Managers to be advised from time to time during the period, as the Dealer-Manager shall request, of the Rights Offering as to any transfers of record of shares of Common Stock.

(b) The Company will arrange for the Subscription Agent to advise the Dealer-Managers daily as to such matters as they may reasonably request, including the number of Rights which have been exercised pursuant to the Rights Offering.

9. Covenants. The Company covenants and agrees with the Dealer-Managers:

(a) To use its best efforts to cause the Registration Statement and any amendments thereto to become effective, provided that the Company shall have the right to discontinue the Rights Offering and withdraw the Registration Statement if the Company's Board of Directors determines in good faith that it is no longer in the best interests of the Company and its stockholders; to advise each Dealer-Manager, promptly after it receives notice thereof, of the time when the Registration Statement, or any amendment thereto, becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish each Dealer-Manager with copies thereof; to prepare a Prospectus in a form approved by the Dealer-Managers (such approval not to be unreasonably withheld or delayed) and to file such Prospectus pursuant to Rule 424(b) under the Securities Act within the time prescribed by such rule; to advise the Dealer-Managers, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Rights for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal.

(b) To deliver promptly to each Dealer-Manager such number of the following documents as such Dealer-Manager shall reasonably request: (i) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement, any other Offer Documents filed as exhibits, the computation of the ratio of earnings to fixed charges and the computation of per share earnings); (ii) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus; and (iii) any document incorporated by reference in the Prospectus (excluding exhibits thereto); and, if the delivery of a prospectus is required at any time during which the Prospectus relating to the Rights or the Rights Shares is required to be delivered under the Securities Act and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act or the Exchange Act, to notify the Dealer-Managers and, upon its request, to file such document and to prepare and furnish without charge to the Dealer-Managers as many copies as the Dealer-Managers may from time to time reasonably request of an amended or supplemented Prospectus which will correct such statement or omission or effect such compliance.

(c) To file promptly with the Commission any amendment to the Registration Statement or the Prospectus or any supplement to the Prospectus that may, in the judgment of the Company or the Dealer-Managers, be necessary or advisable in connection with the distribution of the Rights or the sale of the Rights Shares or be requested by the Commission.

(d) Prior to filing with the Commission any: (i) Preliminary Prospectus, (ii) amendment to the Registration Statement, any document incorporated by reference in the Prospectus or (iii) any Prospectus pursuant to Rule 424 of the Rules and Regulations, to furnish a copy thereof to the Dealer-Managers and counsel for the Dealer-Managers and obtain the consent of the Dealer-Managers to the filing (which consent shall not be unreasonably withheld).

(e) Until the completion of the Rights Offering, following the effective date of the Registration Statement, to furnish to the Dealer-Managers copies of all materials not available via EDGAR furnished by the Company to its shareholders and all public reports and all reports and financial statements furnished by the Company to the principal national securities exchange upon which any of the Company's securities may be listed pursuant to requirements of or agreements with such exchange or to the Commission pursuant to the Exchange Act or any rule or regulation of the Commission thereunder.

(f) To qualify or register the Rights and the Rights Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws of those jurisdictions designated by the Dealer-Managers, to comply with such laws and to continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Rights and the Rights Shares; provided, however, that the Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Dealer-Managers promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Rights and the Rights Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(g) To apply the net proceeds from the exercise of the Rights in the manner described under the caption "Use of Proceeds" in the Prospectus.

(h) Prior to the effective date of the Registration Statement, to apply for the listing of the Rights Shares on Nasdaq and to use its best efforts to complete that listing, subject only to official notice of issuance (if applicable), prior to the expiration of the Rights Offering.

(i) To take such steps as shall be necessary to ensure that neither the Company nor any Subsidiary shall become an "investment company" within the meaning of such term under the Investment Company Act of 1940 and the rules and regulations of the Commission thereunder.

(j) To advise the Dealer-Managers, directly or through the Subscription Agent, from time to time, as either Dealer-Manager shall request, of the number of Rights Shares subscribed for, and arrange for the Subscription Agent to furnish the Dealer-Managers with copies of written reports it furnishes to the Company concerning the Rights Offering;

(k) To commence mailing the Offer Documents to record holders of the Common Stock not later than the second business day following the record date for the Rights Offering, and complete such mailing as soon as practicable;

(l) To reserve and keep available for issue upon the exercise of the Rights such number of authorized but unissued shares of Common Stock as will be sufficient to issue the Rights Shares;

(m) To not take, directly or indirectly, any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the issuance of the Rights or the sale or resale of the Rights Shares; and

(n) From the date hereof until 180 days after the Closing, the Company (along with any Subsidiaries that the Company may have following the date hereof) shall not enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents other than (i) the issuance of securities in the Rights Offering, (ii) an Exempt Issuance or (iii) as approved in advance in writing by the Dealer-Managers. For purposes of this Section 9(n), “Common Stock Equivalents” means any securities of the Company which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock, and “Exempt Issuance” means the issuance of (a) shares of Common Stock, restricted stock, restricted stock units or Common Stock Equivalents to employees, officers, directors or consultants of the Company pursuant to any stock or option plan duly adopted for such purpose, by the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with automatic price resets, stock splits, adjustments or combinations as set forth in such securities) or to extend the term of such securities and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the 180-day lock-up period set forth herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

10. Conditions of Dealer-Manager’s Obligations. The obligations of the Dealer- Managers hereunder are subject to (and the occurrence of any Closing shall be conditioned upon) the accuracy, as of the date hereof and at all times during the Rights Offering, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder (in each case in the reasonable opinion of the Dealer- Managers) and to the following additional conditions:

(a) (i) The Registration Statement shall have become effective and the Prospectus shall have been timely filed with the Commission in accordance with the Rules and Regulations; (ii) all post-effective amendments to the Registration Statement shall have become effective; and (iii) no stop order suspending the effectiveness of the Registration Statement or any amendment or supplement thereto shall have been issued and no proceedings for the issuance of any such order shall have been initiated or threatened, and any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise) shall have been disclosed to the Dealer-Managers and complied with to each Dealer-Manager’s reasonable satisfaction.

(b) The Dealer-Managers shall not have been advised by the Company or shall have discovered and disclosed to the Company that the Registration Statement or the Prospectus or any amendment or supplement thereto, contains an untrue statement of fact which in the Dealer-Managers’ opinion, or in the opinion of counsel to the Dealer-Managers, is material, or omits to state a fact which, in the Dealer-Managers’ opinion, or in the opinion of counsel to the Dealer-Managers, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Rights, the Rights Shares, the Registration Statement and the Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Dealer-Managers, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Concurrently with the execution of this Agreement and at Closing, there shall have been furnished to the Dealer-Managers the signed opinion, including, without limitation, a negative assurance letter, addressed to the Dealer-Managers in the form and substance satisfactory to the Dealer-Managers of Libertas Law Group, Inc., counsel for the Company, dated the date hereof and as of such Closing.

(e) Concurrently with the execution of this Agreement and at Closing, there shall have been furnished to the Dealer-Managers a cold comfort letter, addressed to the Dealer-Managers and in form and substance satisfactory in all respects to the Dealer-Managers from Cherry Bekaert dated the date hereof, and a bring-down letter dated as of such Closing.

(f) Concurrently with the execution of this Agreement and at Closing, the Company shall have furnished to the Dealer-Managers a certificate, dated the date hereof and as of such Closing, of its Chief Executive Officer or President and its Chief Financial Officer stating that:

(i) To the best of their knowledge after reasonable investigation, the representations, warranties, covenants and agreements of the Company in Section 5 hereof are true and correct in all material respects;

(ii) The conditions set forth in this Section 10 have been fulfilled;

(iii) Neither the Company nor any of its Subsidiaries has sustained any material loss or interference with its business, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding;

(iv) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any Material Adverse Change or any development involving a prospective Material Adverse Change; and

(v) They have carefully examined the Registration Statement and the Prospectus and, in their opinion (A) the Registration Statement and the Prospectus, as of the Effective Date, did not include any untrue statement of a material fact and did not omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) since the Effective Date no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement or the Prospectus and has not been.

(g) Neither the Company nor any of its Subsidiaries shall have sustained since the date of the latest audited financial statements included in the Prospectus any Material Adverse Change, the effect of which is, in the judgment of the Dealer-Managers, so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Offering.

(h) Nasdaq shall have approved the Rights Shares for listing, subject only to official notice of issuance.

(i) All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Dealer-Managers. If any of the conditions specified in this Section 10 shall not have been fulfilled when and as required by this Agreement, this Agreement and all obligations of the Dealer-Managers hereunder may be canceled at any time during the Rights Offering by the Dealer-Managers. Any such cancellation shall be without liability of any Dealer-Manager to the Company. Notice of such cancellation shall be given to the Company in writing, or by telephone and confirmed in writing.

11. Indemnification and Contribution.

(a) The Company agrees to hold harmless and indemnify each of Chardan, Oak Ridge and their respective affiliates and any officer, director, employee or agent of Chardan, Oak Ridge or any such affiliates and any Person controlling (within the meaning of Section 20(a) of the Exchange Act) Chardan, Oak Ridge or any of such affiliates from and against any and all (A) losses, claims, damages and liabilities whatsoever, under the Securities Act or otherwise (as incurred or suffered), arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in the Offer Documents or any amendment or supplement thereto, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering, or in any blue sky application or other document prepared or executed by the Company (or based on any written information furnished by the Company) specifically for the purpose of qualifying any or all of the Rights or the Rights Shares under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "Blue Sky Application") or arising out of or based upon the omission or alleged omission to state in any such document a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (other than statements or omissions made in reliance upon and in conformity with the Dealer-Manager Information); (ii) any withdrawal or termination by the Company of, or failure by the Company to make or consummate, the Rights Offering if the Company fails to duly terminate the Rights Offering prior to the Expiration Date, (iii) actions taken or omitted to be taken by an indemnified party with the consent of the Company or in conformity with actions taken or omitted to be taken by the Company; (iv) any failure by the Company to comply with any agreement or covenant contained in this Agreement or any inaccuracy in the representations and warranties therein; or (v) arising out of, relating to or in connection with or alleged to arise out of, relate to or be in connection with, the Rights Offering, any of the other transactions contemplated thereby or the performance of Chardan's or Oak Ridge's services to the Company with respect to the Rights Offering, and (B) all reasonable expenses (including, but not limited to, any and all reasonable legal expenses) incurred in connection with investigating, preparing to defend or defending any lawsuit, claim or other proceeding, commenced or threatened, whether or not resulting in any liability, which legal or other expenses shall be reimbursed by the Company promptly after receipt of any invoices therefore from Chardan or Oak Ridge. However, the Company will not be obligated to indemnify an indemnified party for any loss, claim, damage, liability or expense pursuant to the preceding sentence which has been determined in a final judgment by a court of competent jurisdiction to have resulted directly from willful misconduct or gross negligence on the part of any indemnified party.

(b) Each Dealer-Manager shall jointly and severally indemnify and hold harmless the Company, its officers, directors and employees, and each Person, if any, who controls the Company within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer or controlling Person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained (A) in any Offer Documents, or in any such amendment or supplement, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering or (B) in any Blue Sky Application; or (ii) the omission or alleged omission to state in any Offer Documents, or in any such amendment or supplement, in any other solicitation material used by the Company or authorized by it for use in connection with the Rights Offering, or in any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case solely and exclusively to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with the Dealer-Manager Information, and shall reimburse the Company and any such director, officer or controlling Person for any legal or other expenses reasonably incurred by the Company or any such director, officer or controlling Person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred.

(c) If any lawsuit, claim or proceeding is brought against any indemnified party in respect of which indemnification may be sought against the indemnifying party pursuant to this Section 11, such indemnified party shall promptly notify the indemnifying party of the commencement of such lawsuit, claim or proceeding; provided, however, that the failure so to notify the indemnifying party shall not relieve the indemnifying party from any obligation or liability which it may have under this Section 11 except to the extent that it has been prejudiced in any material respect by such failure and in any event shall not relieve the indemnifying party from any other obligation or liability which it may have to such indemnified party otherwise than under this Section 11. In case any such lawsuit, claim or proceeding shall be brought against any indemnified party and such indemnified party shall notify the indemnifying party of the commencement of such lawsuit, claim or proceeding, the indemnifying party shall be entitled to participate in such lawsuit, claim or proceeding, and, after written notice from the indemnifying party to such indemnified party, to assume the defense of such lawsuit, claim or proceeding with counsel of its choice at its expense; provided, however, that such counsel shall be satisfactory to the indemnified party in the exercise of its reasonable judgment. Notwithstanding the election of the indemnifying party to assume the defense of such lawsuit, claim or proceeding, such indemnified party shall have the right to employ separate counsel and to participate in the defense of such lawsuit, claim or proceeding, and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel (and shall pay such reasonable fees, costs and expenses promptly after receipt of any invoice therefor) if: (i) the use of counsel chosen by the indemnifying party to represent such indemnified party would present such counsel with a conflict of interest; (ii) the defendants in, or targets of, any such lawsuit, claim or proceeding include both an indemnified party and the indemnifying party, and such indemnified party shall have reasonably concluded that there may be legal defenses available to it or to other indemnified parties which are different from or in addition to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party); (iii) the indemnifying party shall not have employed counsel satisfactory to such indemnified party, in the exercise of such indemnified party's reasonable judgment, to represent such indemnified party within a reasonable time after notice of the institution of any such lawsuit, claim or proceeding; or (iv) the indemnifying party shall authorize such indemnified party to employ separate counsel at the expense of the indemnifying party. The foregoing indemnification commitments shall apply whether or not the indemnified party is a formal party to any such lawsuit, claim or proceeding. The indemnifying party shall not be liable for any settlement of any lawsuit, claim or proceeding effected without its consent (which consent will not be unreasonably withheld), but if settled with such consent, the indemnifying party agrees, subject to the provisions of this Section 11, to indemnify the indemnified party from and against any loss, damage or liability by reason of such settlement. The Company agrees to notify each of Chardan and Oak Ridge promptly, or cause Chardan and Oak Ridge to be notified promptly, of the assertion of any lawsuit, claim or proceeding against the Company, any of its officers or directors or any Person who controls any of the foregoing within the meaning of Section 20(a) of the Exchange Act, arising out of or relating to the Rights Offering. The Company further agrees that any settlement of a lawsuit, claim or proceeding against it arising out of Rights Offering shall include an explicit and unconditional release from the parties bringing such lawsuit, claim or proceeding of Chardan, Oak Ridge, their respective affiliates, and any officer, director, employee or agent of Chardan or Oak Ridge, and any Person controlling (within the meaning of Section 20(a) of the Exchange Act) Chardan or Oak Ridge.

(d) The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or expenses referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend or defending any such action or claim.

(e) The foregoing rights to indemnification and contribution shall be in addition to any other rights which any indemnified parties may have under common law or otherwise but shall supersede, amend and restate, retroactively, the rights to indemnification, reimbursement and contribution provided for under the Engagement Letter.

(f) In order to provide for contribution in circumstances in which the indemnification provided for in this Section 11 for any reason held to be unavailable from any indemnifying party or is insufficient to hold harmless a party indemnified thereunder, the Company, on the one hand, and Chardan and Oak Ridge, on the other hand, shall contribute to the aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provision (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but after deducting in the case of losses, claims, damages, liabilities and expenses suffered by the Company, any contribution received by the Company from Persons, other than Chardan or Oak Ridge, who may also be liable for contribution, including Persons who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, officers of the Company who signed the Registration Statement and directors of the Company) as incurred to which the Company and Chardan or Oak Ridge may be subject, in such proportions as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Chardan or Oak Ridge, on the other hand, from the Rights Offering or, if such allocation is not permitted by applicable law, in such proportions as are appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company, on the one hand, and Chardan or Oak Ridge, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and Chardan or Oak Ridge, on the other hand, shall be deemed to be in the same proportion as: (x) the total proceeds from the Rights Offering (net of the fees of the Dealer-Managers set forth in Section 6 hereof, but before deducting expenses) received by the Company bears to (y) the respective fees of each Dealer-Manager set forth and allocated in Section 6 hereof actually received by each Dealer-Manager. The relative fault of each of the Company, on the one hand, and Chardan or Oak Ridge, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Dealer-Managers (which consists solely and exclusively of the Dealer-Manager Information) and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Dealer-Managers agree that it would not be just and equitable if contribution pursuant to this Section 11(f) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 11 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any judicial, regulatory or other legal or governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section 11: (i) no Dealer-Manager shall be required to contribute any amount in excess of the fees actually received by such Dealer-Manager from the Company in connection with the Rights Offering and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 11, each Person controlling a Dealer-Manager within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Dealer-Manager, and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (i) and (ii) of the immediately preceding sentence. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 11(f) or otherwise.

12. Effective Date of Agreement; Termination.

(a) This Agreement shall become effective upon the later of the time on which the Dealer-Managers shall have received notification of the effectiveness of the Registration Statement and the time which this Agreement shall have been executed by all of the parties hereto.

(b) At any time during the Rights Offering, this Agreement may be terminated by the Dealer-Managers by giving notice as hereinafter provided to the Company if:

(i) the Company shall have failed, refused or been unable, at any applicable time during the Rights Offering, to perform any material agreement on its part to be performed hereunder;

(ii) any other material condition of the Dealer-Managers' obligations as set forth in Section 10 or elsewhere hereunder is not fulfilled;

(iii) trading in securities generally on the New York Stock Exchange, the Nasdaq Stock Market or the NYSE American or in the OTCQB, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or minimum prices shall have been established on any such exchanges or such market by the Commission, by such exchange or by any other regulatory body or Governmental Authority;

(iv) a banking moratorium shall have been declared by Federal or state authorities;

(v) there shall have occurred any outbreak or escalation of hostilities or acts of terrorism involving the United States or there is a declaration of a national emergency or war by the United States or there shall have been any other calamity or crisis or any change in political, financial or economic conditions of the United States; or

(vi) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it, in the judgment of the Dealer-Managers, inadvisable or impracticable to solicit exercises of the Rights or perform any other of its obligations hereunder.

(c) At any time during the Rights Offering, this Agreement may be terminated by the Company by giving notice as hereinafter provided to the Dealer-Managers if the Company's Board of Directors determines in good faith that the Rights Offering is no longer in the best interests of the Company and its stockholders.

(d) Any termination of this Agreement pursuant to this Section 12 shall be without liability on the part of the Company or the Dealer-Managers, except as otherwise provided in Section 11 hereof. Any notice referred to above may be given at the address specified in Section 14 hereof in writing or by facsimile or telephone, and if by telephone, shall be immediately confirmed in writing.

13. Survival of Certain Provisions. The agreements contained in Section 11 hereof and the representations, warranties and agreements of the Company contained in Sections 5, 6 and 7 hereof shall survive the consummation of or failure to commence the Rights Offering and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party; *provided* however than in the event of any failure to commence or consummate the Rights Offering, the agreements contained in Section 6 shall terminate and be of no further force or effect.

14. Notices. All notices or other communications hereunder shall be in writing, and (a) if sent to the Dealer-Managers, shall be mailed, delivered, or faxed and confirmed in writing, to: (i) Chardan Capital Markets, LLC, 17 State Street, Suite 2100, New York, New York 10004, Fax Number: _____, Attention: _____, and (ii) The Oak Ridge Financial Services Group, Inc., 701 Xenia Avenue, Suite #100 Minneapolis, Minnesota 55416, Attention: _____, in each case, with a copy to Ellenoff Grossman & Schole LLP, 1345 Avenue of the Americas, 11th Floor, New York, New York, 10105 E-mail: capmkts@egsllp.com, Attention: Robert F. Charron and (b) if sent to the Company shall be mailed, delivered, or faxed and confirmed in writing to the Company and its counsel at the address set forth in the Registration Statement. Any such notices and other communications shall take effect at the time of receipt thereof.

15. Parties. This Agreement shall inure to the benefit of and be binding upon each Dealer-Manager, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those Persons, except that the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the Person or Persons, if any, who control the Dealer-Managers within the meaning of Section 15 of the Act. Nothing in this Agreement shall be construed to give any Person, other than the Persons referred to in this Section, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. Amendment. This Agreement may not be amended or modified except in writing signed by each of the parties hereto.

17. Governing Law; Venue. This Agreement shall be deemed to have been executed and delivered in New York and both this Agreement and the transactions contemplated hereby shall be governed as to validity, interpretation, construction, effect, and in all other respects by the laws of the State of New York, without regard to the conflicts of laws principals thereof (other than Section 5-1401 of The New York General Obligations Law). Each of the Dealer-Managers and the Company: (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement and/or the transactions contemplated hereby shall be instituted exclusively in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York; (b) waives any objection which it may have or hereafter to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York in any such suit, action or proceeding. Each of the Dealer-Managers and the Company further agrees to accept and acknowledge service of any and all process which may be served in any such suit, action or proceeding in the Supreme Court of the State of New York, New York County, or in the United States District Court for the Southern District of New York and agrees that service of process upon the Company mailed by certified mail to the Company's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service of process upon the Company, in any such suit, action or proceeding, and service of process upon the Dealer-Managers mailed by certified mail to each Dealer-Manager's address or delivered by Federal Express via overnight delivery shall be deemed in every respect effective service process upon such Dealer-Manager, in any such suit, action or proceeding. **THE COMPANY (ON BEHALF OF ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY LAW, ON BEHALF OF ITS RESPECTIVE EQUITY HOLDERS AND CREDITORS) HEREBY WAIVES ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED UPON, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, THE REGISTRATION STATEMENT, ANY PRELIMINARY PROSPECTUS AND THE PROSPECTUS.**

18. Entire Agreement. This Agreement, together with the exhibit attached hereto and as the same may be amended from time to time in accordance with the terms hereof, contains the entire agreement among the parties hereto relating to the subject matter hereof and there are no other or further agreements outstanding not specifically mentioned herein.

19. Severability. If any term or provision of this Agreement or the performance thereof shall be invalid or unenforceable to any extent, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement and this Agreement shall be valid and enforced to the fullest extent permitted by law.

20. Headings. The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Delivery of a signed counterpart of this Agreement by facsimile or other electronic transmission shall constitute valid and sufficient delivery thereof.

[Signature Page Follows]

If the foregoing correctly sets forth your understanding, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us as of the date first above written.

Very truly yours,

CHANTICLEER HOLDINGS, INC.

By: _____

Name:

Title:

**Accepted by the Dealer-
Managers as of the date first
written above:**

CHARDAN CAPITAL MARKETS, LLC

By: _____

Name:

Title:

THE OAK RIDGE FINANCIAL SERVICES GROUP, INC.

By: _____

Name:

Title:

[Signature Page to Dealer-Manager Agreement]

Independent Registered Public Accounting Firm's Consent

We hereby consent to the incorporation by reference in this amended Registration Statement (Form S-1/A) of our report dated April 1, 2019, relating 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, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, which is filed with the United States Securities and Exchange Commission. We also consent to the reference to our firm under the heading "Experts" in the filing.

/s/ Cherry Bekaert LLP

Charlotte, North Carolina
May 24, 2019

**FORM OF INSTRUCTIONS FOR USE OF
CHANTICLEER HOLDINGS, INC. SUBSCRIPTION RIGHTS CERTIFICATES**

CONSULT THE SUBSCRIPTION AGENT, YOUR BANK OR BROKER AS TO ANY QUESTIONS

The following instructions relate to a subscription rights offering (the "Rights Offering") by Chanticleer Holdings, Inc., a Delaware corporation ("Chanticleer"), to the holders of record (the "Recordholders") of its common stock, par value \$0.0001 per share (the "Common Stock") and of certain warrants to purchase shares of its Common Stock, as described in the Chanticleer prospectus dated [____], 2019 (the "Prospectus"). Recordholders of Common Stock and certain warrants to purchase shares of Common Stock as of 4:00 p.m., Eastern time, on June 7, 2019 (the "Record Date") are receiving, at no charge, non-transferable subscription rights (the "Rights") to subscribe for and purchase shares of Common Stock. In the Rights Offering, Chanticleer is offering an aggregate of 11,428,571 shares of Common Stock.

Each Recordholder will receive three Rights for each share of Common Stock and each share of common stock underlying warrants owned of record as of 4:00 p.m., Eastern time, on the Record Date. The Rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on [____], 2019, unless extended (the "Expiration Time"). Each Right allows the holder thereof to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$[____] per full share (the "Subscription Price"). For example, if a Recordholder owned 100 shares of Common Stock as of 4:00 p.m., Eastern time on the Record Date, it would receive 300 Rights and would have the right to purchase 300 shares of Common Stock for the Subscription Price.

The number of shares subscribed for is subject to reduction as a result of the Tax Attributes as described in the Prospectus.

If a Rights holder purchases all of the shares of Common Stock available to it pursuant to its Basic Subscription Privilege, it may also exercise an over-subscription privilege (the "Over-Subscription Privilege") to purchase a portion of any shares of Common Stock that are not purchased by other Rights holders through the exercise of their Basic Subscription Privileges (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the shares among all Rights holders exercising this Over-Subscription Privilege. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Privileges, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. If this pro rata allocation results in any Rights holder receiving a greater number of Unsubscribed Shares than the Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of Unsubscribed Shares for which the Rights holder oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Privilege have been fulfilled, whichever occurs earlier.

Each Rights holder will be required to submit payment in full for all the shares it wishes to buy with its Over-Subscription Privilege. Because we will not know the total number of Unsubscribed Shares prior to the expiration of the Rights Offering, if a Rights holder wishes to maximize the number of shares it may purchase pursuant to the Rights holder's Over-Subscription Privilege, the Rights holder will need to deliver payment in an amount equal to the aggregate Subscription Price for the maximum number of shares of Common Stock available to the Rights holder, assuming that no Rights holder other than such Rights holder purchases any shares of Common Stock pursuant to their Basic Subscription Privilege and Over-Subscription Privilege.

Fractional shares of Common Stock resulting from the exercise of the Basic Subscription Privilege and the Over-Subscription Privilege will be eliminated by rounding down to the nearest whole share, with the total exercise price being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

Chanticleer will not be required to issue shares of our Common Stock to you if the Subscription Agent does not receive your payment prior to the Expiration Time, regardless of when you send the subscription payment and related documents, unless you send the documents in compliance with the Guaranteed Delivery Procedures described below. Chanticleer may extend the Expiration Time by giving oral or written notice to the Subscription Agent on or before the Expiration Time. If Chanticleer elects to extend the Expiration Time, it will issue a press release announcing such extension no later than 9:00 a.m., Eastern time, on the next business day after the most recently announced Expiration Time. The Rights will be evidenced by non-transferable subscription rights certificates (the "Rights Certificates").

The number of Rights to which you are entitled is printed on the face of your Rights Certificate. The number of Rights printed on the face of the Rights Certificate can be used to help you determine your percentage ownership for the purposes of determining the number of shares you elect to subscribe for pursuant to the Over-Subscription Privilege. You should indicate your wishes with regard to the exercise of your Rights by completing the appropriate portions of your Rights Certificate and returning the Rights Certificate to the Subscription Agent in the envelope provided.

YOUR RIGHTS CERTIFICATES, OR NOTICE OF GUARANTEED DELIVERY, AND SUBSCRIPTION PRICE PAYMENT FOR EACH RIGHT THAT IS EXERCISED PURSUANT TO THE BASIC SUBSCRIPTION PRIVILEGE PLUS THE FULL SUBSCRIPTION PRICE FOR ANY ADDITIONAL SHARES OF COMMON STOCK SUBSCRIBED FOR PURSUANT TO THE OVER-SUBSCRIPTION PRIVILEGE, INCLUDING FINAL CLEARANCE OF ANY CHECKS, MUST BE RECEIVED BY THE SUBSCRIPTION AGENT, ON OR BEFORE THE EXPIRATION TIME. ONCE A HOLDER OF RIGHTS HAS EXERCISED THE BASIC SUBSCRIPTION PRIVILEGE OR THE OVER-SUBSCRIPTION PRIVILEGE, SUCH EXERCISE MAY NOT BE REVOKED. RIGHTS NOT EXERCISED PRIOR TO THE EXPIRATION TIME OF THE RIGHTS OFFERING WILL EXPIRE.

1. Method of Subscription — Exercise of Rights.

To exercise Rights, complete your Rights Certificate and send the properly completed and executed Rights Certificate evidencing such Rights with any signatures required to be guaranteed so guaranteed, together with payment in full of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege plus the full Subscription Price for any Unsubscribed Shares you elect to subscribe for pursuant to the Over-Subscription Privilege, to the Subscription Agent, on or prior to the Expiration Time. Payment of the Subscription Price will be held in a segregated account to be maintained by the Subscription Agent. All payments must be made in U.S. dollars for the full number of shares being subscribed for (a) by check or bank draft drawn upon a U.S. bank or postal, telegraphic or express money order payable to "Securities Transfer Corporation as Rights Agent for Chanticleer Holdings, Inc." or (b) by wire transfer of immediately available funds, to the account maintained by the Subscription Agent for purposes of accepting subscriptions in the Rights Offering (the "Subscription Account") at:

DOMESTIC:

Eagle Bank
7815 Woodmont Avenue
Bethesda, MD 20814
ABA/Routing # 055003298
Beneficiary Name: STC as Rights Agent for Chanticleer Holdings, Inc.
Account # 200334571

INTERNATIONAL:

Wells Fargo Bank NA
464 California Street
San Francisco, CA 94104
Bank Swift Code: WFBIUS6S
Further Credit to Eagle Bank
Account/ABA # 055003298
Beneficiary Name: STC as Rights Agent for Chanticleer Holdings, Inc.
Account # 200334571

Any wire transfer should clearly indicate the identity of the subscriber who is paying the Subscription Price by wire transfer. Payments will be deemed to have been received upon (i) clearance of any uncertified check, (ii) receipt by the Subscription Agent of any certified check or bank draft drawn upon a U.S. bank or of any postal, telegraphic or express money order or (iii) receipt of collected funds in the Subscription Account designated above. If paying by uncertified personal check, please note that the funds paid thereby may take five or more business days to clear. Accordingly, Rights holders who wish to pay the Subscription Price by means of uncertified personal check are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment is received and clears by such date and are urged to consider payment by means of certified or cashier's check, money order or wire transfer of funds.

The Rights Certificate and payment of the Subscription Price, or, if applicable, the Notice of Guaranteed Delivery (as defined below) must be delivered to the Subscription Agent by mail, hand delivery, express mail, courier or other expedited service:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093

Telephone Number for Confirmation: (469) 633-0101

If you have other questions or need assistance, please contact the Subscription Agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stcttransfer.com.

Delivery to an address other than those above does not constitute valid delivery.

By making arrangements with your bank or broker for the delivery of funds on your behalf you may also request such bank or broker to exercise the Rights Certificate on your behalf. Alternatively, you may cause a written guarantee substantially in the form of Exhibit A to these instructions (the "Notice of Guaranteed Delivery"), from a member firm of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, or from a commercial bank or trust company having an office or correspondent in the United States or from a bank, shareholder, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, (each, an "Eligible Institution"), to be received by the Subscription Agent on or prior to the Expiration Time together with payment in full of the applicable Subscription Price. Such Notice of Guaranteed Delivery must state your name, the number of Rights represented by the Rights Certificate held by you, the number of shares being subscribed for pursuant to the Basic Subscription Privilege, the number of additional shares you wish to subscribe for pursuant to the Over-Subscription Privilege and that you will guarantee the delivery to the Subscription Agent of any properly completed and executed Rights Certificate evidencing such Rights within three (3) business days following the date of the Notice of Guaranteed Delivery. If this procedure is followed, the properly completed Rights Certificate evidencing the Rights being exercised, with any signatures required to be guaranteed so guaranteed, must be received by the Subscription Agent within three (3) business days following the date of the Notice of Guaranteed Delivery. The Notice of Guaranteed Delivery may be delivered to the Subscription Agent in the same manner as Rights Certificates at the address set forth above, or may be transmitted to the Subscription Agent by facsimile transmission at (469) 633-0088. Additional copies of the Notice of Guaranteed Delivery may be obtained upon request from the Subscription Agent at the address, or by calling the telephone number, set forth above.

If you do not indicate the number of Rights being exercised, or do not forward full payment of the Subscription Price, then you will be deemed to have exercised your Rights with respect to the maximum number of whole Rights that may be exercised with the aggregate Subscription Price you delivered to the Subscription Agent. If your aggregate Subscription Price is greater than the amount you owe for exercise of your Basic Subscription Privilege in full, you will be deemed to have exercised your Over-Subscription Privilege to purchase the maximum number of shares with your over-payment. If we do not apply your full Subscription Price payment to your purchase of shares, the excess subscription payment received by the Subscription Agent will be returned to you, without interest, as soon as practicable. Brokers, custodian banks and other nominee holders of Rights who exercise the Basic Subscription Privilege and the Over-Subscription Privilege on behalf of beneficial owners of Rights will be required to certify to the Subscription Agent and Chanticleer, in connection with the exercise of the Over-Subscription Privilege, as to the aggregate number of Rights that have been exercised pursuant to the Basic Subscription Privilege and the number of shares that are being subscribed for pursuant to the Over-Subscription Privilege, by each beneficial owner of Rights (including such nominee itself) on whose behalf such nominee holder is acting.

Chanticleer can provide no assurances that each Rights holder will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of its Over-Subscription Privilege in full at the expiration of the Rights Offering. Chanticleer will not be able to satisfy a Rights holder's exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Privileges in full, and we will only honor an Over-Subscription Privilege to the extent sufficient shares of Common Stock are available following the exercise of Rights under the Basic Subscription Privileges.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to a Rights holder pursuant to the Over-Subscription Privilege is less than the amount the Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege, the Rights holder will be allocated only the number of Unsubscribed Shares available to it, as soon as practicable after the Expiration Time, and the Rights holder's excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.

To the extent the amount the Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege is less than the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to the Rights holder pursuant to the Over-Subscription Privilege, such Rights holder will be allocated the number of Unsubscribed Shares for which it actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering — The Subscription Rights — Over-Subscription Privilege" in the Prospectus.

2. Issuance of Common Stock

The following deliveries and payments will be made to the address shown on the face of your Rights Certificate, unless you provide instructions to the contrary in your Rights Certificate.

(a) *Basic Subscription Privilege.* As soon as practicable after the Expiration Time and the valid exercise of Rights, the Subscription Agent will mail to each exercising Rights holder certificates representing shares of Common Stock purchased pursuant to the Basic Subscription Privilege.

(b) *Over-Subscription Privilege.* As soon as practicable after the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering have been effected, the Subscription Agent will mail to each Rights holder that validly exercises the Over-Subscription Privilege certificates representing the number of shares of Common Stock, if any, allocated to such Rights holder pursuant to the Over-Subscription Privilege.

(c) *Excess Cash Payments.* As soon as practicable after the Expiration Time and after all prorations and adjustments contemplated by the terms of the Rights Offering have been effected, any excess subscription payments received in payment of the Subscription Price the Subscription Agent will be mailed to each Rights holder, without interest.

3. No Sale or Transfer of Rights

The Rights granted to you are non-transferable and, therefore, you may not sell, transfer or assign your Rights to anyone.

4. Execution

(a) *Execution by Registered Holder.* The signature on the Rights Certificate must correspond with the name of the registered holder exactly as it appears on the face of the Rights Certificate without any alteration or change whatsoever. Persons who sign the Rights Certificate in a representative or other fiduciary capacity must indicate their capacity when signing and, unless waived by the Subscription Agent in its sole and absolute discretion, must present to the Subscription Agent satisfactory evidence of their authority to so act.

(b) *Execution by Person Other than Registered Holder.* If the Rights Certificate is executed by a person other than the holder named on the face of the Rights Certificate, proper evidence of authority of the person executing the Rights Certificate must accompany the same unless, for good cause, the Subscription Agent dispenses with proof of authority.

(c) *Signature Guarantees.* Your signature must be guaranteed by an Eligible Institution if you specify special payment or delivery instructions.

5. Method of Delivery.

The method of delivery of Rights Certificates and payment of the Subscription Price to the Subscription Agent will be at the election and risk of the Rights holder. However, if you elect to exercise your Rights, Chanticleer urges you to consider using a certified or cashier's check, money order, or wire transfer of funds to ensure that the Subscription Agent receives your funds prior to the Expiration Time. If you send an uncertificated check, payment will not be deemed to have been received by the Subscription Agent until the check has cleared, but if you send a certified check, bank draft drawn upon a U.S. bank, a postal, telegraphic or express money order or wire or transfer funds directly to the Subscription Agent's account, payment will be deemed to have been received by the Subscription Agent immediately upon receipt of such instruments and wire or transfer. Any personal check used to pay for shares of Common Stock must clear the appropriate financial institutions prior to the Expiration Time. The clearinghouse may require five or more business days. Accordingly, Rights holders that wish to pay the Subscription Price by means of an uncertificated personal check are urged to make payment sufficiently in advance of the Expiration Time to ensure such payment is received and clears by such date.

6. Special Provisions Relating to the Delivery of Rights through the Depository Trust Company.

In the case of Rights that are held of record through The Depository Trust Company ("DTC"), exercises of the Basic Subscription Privilege and of the Over-Subscription Privilege may be effected by instructing DTC to transfer Rights from the DTC account of such holder to the DTC account of the Subscription Agent, together with certification as to the aggregate number of Rights exercised subscribed for pursuant to the Basic Subscription Privilege and the number of Unsubscribed Shares subscribed for pursuant to the Over-Subscription Privilege by each beneficial owner of Rights on whose behalf such nominee is acting, and payment of the Subscription Price for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege.

7. Substitute Form W-9.

Each Rights holder who elects to exercise Rights should provide the Subscription Agent with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, a copy of which is included as Exhibit B hereto. Additional copies of Substitute Form W-9 may be obtained upon request from the Subscription Agent at the address set forth above or by calling the Subscription Agent at (469) 633-0101. Failure to provide the information on the form may subject such holder to a \$50.00 penalty for each such failure and to U.S. federal income tax backup withholding (currently at a 28% rate) with respect to dividends that may be paid by Chanticleer on shares of Common Stock purchased upon the exercise of Rights (for those holders exercising Rights).

FORM OF NOTICE OF GUARANTEED DELIVERY

This form, or one substantially equivalent hereto, must be used to exercise the subscription rights (the “Rights”) pursuant to the rights offering (the “Rights Offering”) as described in the prospectus dated [____], 2019 (the “Prospectus”) of Chanticleer Holdings, Inc., a Delaware corporation (“Chanticleer”), if a holder of Rights cannot deliver the certificate(s) evidencing the Rights (the “Rights Certificate(s)”), to the subscription agent listed below (the “Subscription Agent”) prior to 5:00 p.m., Eastern time, on [____], 2019, (as it may be extended, the “Expiration Time”). Such form must be delivered by hand or sent by telegram, facsimile transmission, first class mail or overnight courier to the Subscription Agent, and must be received by the Subscription Agent prior to the Expiration Time. See “The Rights Offering — Method of Exercising Subscription Rights” in the Prospectus.

Payment of the cash price of \$[____] per full share (the “Subscription Price”) of Chanticleer’s common stock, par value \$0.0001 per share (the “Common Stock”), subscribed for upon exercise of such Rights must be received by the Subscription Agent in the manner specified in the Prospectus prior to the Expiration Time even if the Rights Certificate(s) evidencing such Rights is (are) being delivered pursuant to the Guaranteed Delivery Procedures thereof. See “The Rights Offering — Method of Exercising Subscription Rights” in the Prospectus.

By Mail, Hand Delivery, Express Mail, Courier or Other Expedited Service:

Securities Transfer Corporation
2901 N. Dallas Parkway, Suite 380
Plano, TX 75093

By Facsimile Transmission:
(469) 633-0088

Telephone Number for Confirmation:
(469) 633-0101

Telephone Number for Information:
(469) 633-0101

If you have other questions or need assistance, please contact the Subscription Agent, Securities Transfer Corporation, at (469) 633-0101 or chanticleer@stctransfer.com.

**Delivery of this instrument to an address other than as set forth above
or transmission of this instrument via facsimile other than as set forth above
does not constitute a valid delivery**

Ladies and Gentlemen:

The undersigned hereby represents that the undersigned is the holder of Rights Certificate(s) representing Right(s) and that such Rights Certificate(s) cannot be delivered to the Subscription Agent prior to the Expiration Time. Upon the terms and subject to the conditions set forth in the Prospectus, receipt of which is hereby acknowledged, the undersigned hereby elects to (i) exercise the Basic Subscription Privilege to subscribe for _____ share(s) of Common Stock with respect to each of the Rights represented by such Rights Certificate(s) and (ii) exercise the Over-Subscription Privilege relating to such Rights, to the extent that shares of Common Stock that are not otherwise purchased pursuant to the exercise of Rights are available therefore, for an aggregate of up to _____ share(s) of Common Stock, subject to availability and allocation as described in the Prospectus.

The undersigned understands that payment of the Subscription Price of \$[_____] per full share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege must be received by the Subscription Agent prior to the Expiration Time, and represents that such payment, in the aggregate amount of \$ either (check appropriate box):

is being delivered to the Subscription Agent herewith

Or

has been delivered separately to the Subscription Agent in the manner set forth below (check appropriate box and complete information relating thereto):

Wire transfer of funds

Name of transferor institution:

Date of transfer:

Confirmation number (if available):

Uncertified check (Payment by uncertified check will not be deemed to have been received by the Subscription Agent until such check has cleared. Rights holders paying by such means are urged to make payment sufficiently in advance of the Expiration Time to ensure that such payment clears by such date.)

Certified check

Bank draft (cashier's check)

Money order

Name of maker:

Date of check, draft or money order:

Check, draft or money order number:

Bank on which check is drawn or issuer or money order:

Signature(s)

Names

Address

Area Code and Telephone No.(s)

(Please type or print)

Rights Certificate No(s). (if available)

GUARANTEE OF DELIVERY
(Not to Be Used for Rights Certificate Signature Guarantee)

The undersigned, a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, or a commercial bank or trust company having an office or correspondent in the United States, or a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program, pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, guarantees that the undersigned will deliver to the Subscription Agent the Rights Certificates representing the Rights being exercised hereby, with any required signature guarantee and any other required documents, all within three (3) business days after the date hereof.

Dated: _____

(Address)

(Name of Firm)

(Area Code and Telephone Number)

(Authorized Signature)

The institution that completes this form must communicate the guarantee to the Subscription Agent and must deliver the Rights Certificate(s) to the Subscription Agent within the time period shown in the Prospectus. Failure to do so could result in a financial loss to such institution.

**FORM OF LETTER TO STOCKHOLDERS
WHO ARE BENEFICIAL OWNERS**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Stockholders of

Chanticleer Holdings, Inc.

[____], 2019

Dear Stockholder:

This letter is being distributed by Chanticleer Holdings, Inc. (“Chanticleer”) to all holders of record of shares of its common stock, par value \$0.0001 per share (the “Common Stock”), at 4:00 p.m., Eastern time, on June 7, 2019 (the “Record Date”), in connection with a distribution in a rights offering (the “Rights Offering”) of non-transferable subscription rights (the “Rights”) to subscribe for and purchase shares of Common Stock. The Rights and Common Stock are described in the prospectus dated [____], 2019, a copy of which accompanies this letter (the “Prospectus”).

In the Rights Offering, Chanticleer is offering an aggregate of 11,428,571 shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on [____], 2019, unless extended (the “Expiration Time”).

As described in the accompanying Prospectus, you will receive three Rights for each share of Common Stock owned at 4 :00 p.m., Eastern time, on the Record Date. Each Right will allow you to subscribe for one share of Common Stock (the “Basic Subscription Privilege”) at the cash price of \$[____] per full share (the “Subscription Price”). For example, if you owned 100 shares of Common Stock as of 4 :00 p.m., Eastern time, on the Record Date, you would receive 300 Rights and would have the right to purchase 300 shares of Common Stock for the Subscription Price.

The number of shares subscribed is subject to reduction as a result of the Tax Attributes as described in the Prospectus.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Privilege, you may also exercise an over-subscription privilege (the “Over-Subscription Privilege”) to purchase a portion of any shares of Common Stock that are not purchased by other Rights holders through the exercise of their Basic Subscription Privileges (the “Unsubscribed Shares”), subject to the availability and pro rata allocation of the Unsubscribed Shares among all Rights holders exercising this Over-Subscription Privilege. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Privileges, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. If this pro rata allocation results in any Rights holder receiving a greater number of Unsubscribed Shares than the Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of Unsubscribed Shares for which the Rights holder oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Privileges have been fulfilled, whichever occurs earlier.

You will be required to submit payment in full for all the shares you wish to purchase with your Over-Subscription Privilege. Because we will not know the total number of Unsubscribed Shares prior to the Expiration Date, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Privilege, you will need to deliver payment in an amount equal to the aggregate Subscription Price for the maximum number of shares of Common Stock available to you, assuming that no Rights holder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Privilege and Over-Subscription Privilege. Chanticleer will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Privilege by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

Chanticleer can provide no assurances that you will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of your Over-Subscription Privilege in full at the expiration of the Rights Offering. Chanticleer will not be able to satisfy your exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Privileges in full, and we will only honor an Over-Subscription Privilege to the extent sufficient shares of Common Stock are available following the exercise of the Rights under the Basic Subscription Privileges.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege is less than the amount you actually paid in connection with the exercise of the Over-Subscription Privilege, you will be allocated only the number of Unsubscribed Shares available to you as soon as practicable after the Expiration Time, and your excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.

To the extent the amount you actually paid in connection with the exercise of the Over-Subscription Privilege is less than the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege, you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Privilege. See “The Rights Offering — The Subscription Rights — Over-Subscription Privilege” in the Prospectus.

The Rights will be evidenced by a non-transferable subscription rights certificate (the “Rights Certificate”) and will cease to have any value at the Expiration Time.

Enclosed are copies of the following documents:

1. Prospectus;
2. Rights Certificate;
3. Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates (including a Notice of Guaranteed Delivery for Rights Certificates Issued by Chanticleer and Guidelines for Request for Taxpayer Identification Number and Certification of Substitute Form W-9); and
4. A return envelope addressed to Securities Transfer Corporation, the Subscription Agent.

Your prompt action is requested. To exercise the Rights, you should deliver the properly completed and signed Rights Certificate (or the Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures) and forward it, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Rights Certificate or Notice of Guaranteed Delivery with payment of the Subscription Price, including final clearance of any checks, prior to the Expiration Time. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Time will expire.

Additional copies of the enclosed materials may be obtained from Securities Transfer Corporation, the Subscription Agent. The Subscription Agent's telephone number is (469) 633-0101. Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Chanticleer Holdings, Inc.

**FORM OF LETTER TO STOCKHOLDERS
WHO ARE RECORD HOLDERS**

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Stockholders

of Chanticleer Holdings, Inc.

[____], 2019

To Security Dealers, Commercial Banks, Trust Companies and Other Nominees:

This letter is being distributed to securities dealers, commercial banks, trust companies and other nominees in connection with the rights offering (the "Rights Offering") by Chanticleer Holdings, Inc. ("Chanticleer") of shares of Common Stock (as such term is defined below), pursuant to non-transferable subscription rights (the "Rights") distributed to all holders of record (the "Recordholders") of shares of Chanticleer common stock, par value \$0.0001 per share (the "Common Stock"), at 4:00 p.m., Eastern time, on June 7, 2019 (the "Record Date"). The Rights and Common Stock are described in the offering prospectus dated [____], 2019 (the "Prospectus").

In the Rights Offering, Chanticleer is offering an aggregate of 11,428,571 shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on [____], 2019, unless extended (the "Expiration Time").

As described in the accompanying Prospectus, each beneficial owner of shares of Common Stock registered in your name or the name of your nominee is entitled to three Rights for each share of Common Stock owned by such beneficial owner at 4:00 p.m., Eastern time, on the Record Date. Each Right will allow the holder thereof to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$[____] per full share (the "Subscription Price"). For example, if a Recordholder owned 100 shares of Common Stock as of 4:00 p.m., Eastern time on the Record Date, it would receive 300 Rights and would have the right to purchase 300 shares of Common Stock for the Subscription Price.

The number of shares subscribed is subject to reduction as a result of the Tax Attributes as described in the Prospectus.

If a Rights holder purchases all of the shares of Common Stock available to it pursuant to its Basic Subscription Privilege, it may also exercise an over-subscription privilege (the "Over-Subscription Privilege") to purchase a portion of any shares of Common Stock that are not purchased by other Rights holders through the exercise of their Basic Subscription Privileges (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all Rights holders exercising this Over-Subscription Privilege. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Privileges, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. If this pro rata allocation results in any Rights holder receiving a greater number of Unsubscribed Shares than the Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of Unsubscribed Shares for which the Rights holder oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Privilege have been fulfilled, whichever occurs earlier.

Each Rights holder will be required to submit payment in full for all the shares it wishes to buy with its Over-Subscription Privilege. Because we will not know the total number of Unsubscribed Shares prior to the expiration of the Rights Offering, if a Rights holder wishes to maximize the number of shares it may purchase pursuant to the Rights holder's Over-Subscription Privilege, the Rights holder will need to deliver payment in an amount equal to the aggregate Subscription Price for the maximum number of shares of Common Stock available to the Rights holder, assuming that no Rights holders other than such Rights holder purchases any shares of Common Stock pursuant to their Basic Subscription Privilege and Over-Subscription Privilege. Fractional shares of Common Stock resulting from the exercise of the Over-Subscription Privilege will be eliminated by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

Chanticleer can provide no assurances that each Rights holder will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of its Over-Subscription Privilege in full at the expiration of the Rights Offering.

Chanticleer will not be able to satisfy a Rights holder's exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Privileges in full, and we will only honor an Over-Subscription Privilege to the extent sufficient shares of Common Stock are available following the exercise of subscription rights under the Basic Subscription Privileges.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to a Rights holder pursuant to the Over-Subscription Privilege is less than the amount the Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege, the Rights holder will be allocated only the number of Unsubscribed Shares available to it as soon as practicable after the Expiration Time, and the Rights holder's excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.

To the extent the amount the Rights holder actually paid in connection with the exercise of the Over-Subscription Privilege is less than the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to the Rights holder pursuant to the Over-Subscription Privilege, such Rights holder will be allocated the number of Unsubscribed Shares for which it actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering — The Subscription Rights — Over-Subscription Privilege" in the Prospectus.

The Rights will be evidenced by a non-transferable subscription rights certificate (the "Rights Certificate") registered in the Rights holder's name or its nominee and will cease to have any value at the Expiration Time.

We are asking persons who hold shares of Common Stock beneficially and who have received the Rights distributable with respect to those shares through a broker, dealer, commercial bank, trust company or other nominee, as well as persons who hold certificates of Common Stock directly and prefer to have such institutions effect transactions relating to the Rights on their behalf, to contact the appropriate institution or nominee and request it to effect the transactions for them. In addition, we are asking beneficial owners who wish to obtain a separate Rights Certificate to contact the appropriate nominee as soon as possible and request that a separate Rights Certificate be issued.

All commissions, fees and other expenses (including brokerage commissions and transfer taxes), other than fees and expenses of the Subscription Agent, incurred in connection with the exercise of the Rights will be for the account of the Rights holder, and none of such commissions, fees or expenses will be paid by Chanticleer or the Subscription Agent.

Enclosed are copies of the following documents:

1. Prospectus;
2. Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates (including a Notice of Guaranteed Delivery for Rights Certificates Issued by Chanticleer, Inc. and Guidelines for Request for Taxpayer Identification Number and Certification on Substitute Form W-9);
3. A form of letter which may be sent to your clients for whose accounts you hold shares of Common Stock registered in your name or the name of your nominee, with an attached form of instruction;
4. Notice of Guaranteed Delivery for Rights Certificates Issued by Chanticleer; and
5. A return envelope addressed to Securities Transfer Corporation, the Subscription Agent.

Your prompt action is requested. To exercise the Rights, you should deliver the properly completed and signed Rights Certificate (or Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures), with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Rights Certificate or Notice of Guaranteed Delivery with payment of the Subscription Price, including final clearance of any checks, prior to the Expiration Time. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Time will expire.

Additional copies of the enclosed materials may be obtained from Securities Transfer Corporation, the Subscription Agent. The Subscription Agent's telephone number is (469) 633-0101. Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Chanticleer Holdings, Inc.

FORM OF LETTER TO CLIENTS

Subscription Rights to Purchase Shares of Common Stock
Offered Pursuant to Subscription Rights Distributed to Stockholders of
Chanticleer Holdings, Inc.

[____], 2019

To Our Clients:

Enclosed for your consideration are a prospectus dated [____], 2019 (the "Prospectus"), and the "Instructions for Use of Chanticleer, Inc. Subscription Rights Certificates" relating to the offering (the "Rights Offering") by Chanticleer Holdings, Inc. ("Chanticleer") of shares of Common Stock (as defined below) pursuant to non-transferable subscription rights (the "Rights") distributed to all holders of record of shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock"), at 4:00 p.m., Eastern time, on June 7, 2019 (the "Record Date"). The Rights and Common Stock are described in the Prospectus.

In the Rights Offering, Chanticleer is offering an aggregate of up to 11,428,571 shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on [____], 2019, unless extended (the "Expiration Time").

As described in the accompanying Prospectus, you will receive three Rights for each share of Common Stock owned at 4:00 p.m., Eastern time, on the Record Date. Each Right will allow you to subscribe for one share of Common Stock (the "Basic Subscription Privilege") at the cash price of \$[____] per full share (the "Subscription Price"). For example, if you owned 100 shares of Common Stock as of 4:00 p.m., Eastern time, on the Record Date, you would receive 300 Rights and would have the right to purchase 300 shares of Common Stock for the Subscription Price.

The number of shares subscribed is subject to reduction as a result of the Tax Attributes as described in the Prospectus.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Privilege, you may also exercise an over-subscription privilege (the "Over-Subscription Privilege") to purchase a portion of any shares of Common Stock that are not purchased by other Rights holders through the exercise of their Basic Subscription Privileges (the "Unsubscribed Shares"), subject to the availability and pro rata allocation of the Unsubscribed Shares among all Rights holders exercising this Over-Subscription Privilege. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Privileges, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. If this pro rata allocation results in any Rights holder receiving a greater number of Unsubscribed Shares than the Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of Unsubscribed Shares for which the Rights holder oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Privileges have been fulfilled, whichever occurs earlier.

You will be required to submit payment in full for all the shares you wish to buy with your Over-Subscription Privilege. Because we will not know the total number of Unsubscribed Shares prior to the Expiration Date, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Privilege, you will need to deliver payment in an amount equal to the aggregate Subscription Price for the maximum number of shares of Common Stock available to you, assuming that no Rights holder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Privilege and Over-Subscription Privilege. Chanticleer will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Privilege by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

Chanticleer can provide no assurances that each you will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of your Over-Subscription Privilege in full at the expiration of the Rights Offering. Chanticleer will not be able to satisfy your exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Privileges in full, and we will only honor an Over-Subscription Privilege to the extent sufficient shares of Common Stock are available following the exercise of subscription rights under the Basic Subscription Privileges.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege is less than the amount you actually paid in connection with the exercise of the Over-Subscription Privilege, you will be allocated only the number of Unsubscribed Shares available to you as soon as practicable after the Expiration Time, and your excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.

To the extent the amount you actually paid in connection with the exercise of the Over-Subscription Privilege is less than the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege; you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Privilege. See "The Rights Offering — The Subscription Rights — Over-Subscription Privilege" in the Prospectus.

The Rights will be evidenced by a non-transferable subscription rights certificate (the "Rights Certificate") and will cease to have any value at the Expiration Time.

THE MATERIALS ENCLOSED ARE BEING FORWARDED TO YOU AS THE BENEFICIAL OWNER OF COMMON STOCK CARRIED BY US IN YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. EXERCISES AND SALES OF RIGHTS MAY BE MADE ONLY BY US AS THE RECORD OWNER AND PURSUANT TO YOUR INSTRUCTIONS.

Accordingly, we request instructions as to whether you wish us to elect to subscribe for any shares of Common Stock to which you are entitled pursuant to the terms and subject to the conditions set forth in the enclosed Prospectus. However, we urge you to read the document carefully before instructing us to exercise your Rights.

If you wish to have us, on your behalf, exercise the Rights for any shares of Common Stock to which you are entitled, please so instruct us by completing, executing and returning to us the instruction form on the reverse side of this letter.

Your instructions to us should be forwarded as promptly as possible in order to permit us to exercise Rights on your behalf in accordance with the provisions of the Rights Offering. The Rights Offering will expire at 5:00 p.m., Eastern time, at the Expiration Time. Once you have exercised the Basic Subscription Privilege or the Over-Subscription Privilege, such exercise may not be revoked.

Additional copies of the enclosed materials may be obtained from Securities Transfer Corporation, the Subscription Agent. The Subscription Agent's telephone number is (469) 633-0101. Any questions or requests for assistance concerning the Rights Offering should be directed to the Subscription Agent.

Very truly yours,

Chanticleer Holdings, Inc.

FORM OF LETTER TO WARRANT HOLDERS

Subscription Rights to Purchase Shares of Common Stock

Offered Pursuant to Subscription Rights Distributed to Certain Warrant Holders of

Chanticleer Holdings, Inc.

[____], 2019

Dear Warrant Holder:

This letter is being distributed by Chanticleer Holdings, Inc. (“Chanticleer”) to certain holders of record of warrants to purchase shares of its common stock, par value \$0.0001 per share (the “Common Stock”), at 4:00 p.m., Eastern time, on June 7, 2019 (the “Record Date”), in connection with a distribution in a rights offering (the “Rights Offering”) of non-transferable subscription rights (the “Rights”) to subscribe for and purchase shares of Common Stock. The Rights and Common Stock are described in the prospectus dated [____], 2019, a copy of which accompanies this letter (the “Prospectus”).

In the Rights Offering, Chanticleer is offering an aggregate of 11,428,571 shares of Common Stock, as described in the Prospectus.

The Rights will expire, if not exercised prior to 5:00 p.m., Eastern time, on [____], 2019, unless extended (the “Expiration Time”).

As described in the accompanying Prospectus, you will receive three Rights for each share of Common Stock underlying warrants owned at 4:00 p.m., Eastern time, on the Record Date. Each Right will allow you to subscribe for one share of Common Stock (the “Basic Subscription Privilege”) at the cash price of \$[____] per full share (the “Subscription Price”). For example, if you owned warrants to purchase 100 shares of Common Stock as of 4:00 p.m., Eastern time, on the Record Date, you would receive 300 Rights and would have the right to purchase 300 shares of Common Stock for the Subscription Price.

The number of shares subscribed is subject to reduction as a result of the Tax Attributes as described in the Prospectus.

In the event that you purchase all of the shares of Common Stock available to you pursuant to your Basic Subscription Privilege, you may also exercise an over-subscription privilege (the “Over-Subscription Privilege”) to purchase a portion of any shares of Common Stock that are not purchased by other Rights holders through the exercise of their Basic Subscription Privileges (the “Unsubscribed Shares”), subject to the availability and pro rata allocation of the Unsubscribed Shares among all Rights holders exercising this Over-Subscription Privilege. To the extent the Unsubscribed Shares are not sufficient to satisfy all of the properly exercised Over-Subscription Privileges, then the Unsubscribed Shares will be prorated among those who properly exercised Over-Subscription Privilege based on the number of shares each Rights holder subscribed for under the Basic Subscription Privilege. If this pro rata allocation results in any Rights holder receiving a greater number of Unsubscribed Shares than the Rights holder subscribed for pursuant to the exercise of the Over-Subscription Privilege, then such Rights holder will be allocated only that number of Unsubscribed Shares for which the Rights holder oversubscribed, and the remaining Unsubscribed Shares will be allocated among all other Rights holders exercising the Over-Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Unsubscribed Shares have been allocated or all Over-Subscription Privileges have been fulfilled, whichever occurs earlier.

You will be required to submit payment in full for all the shares you wish to purchase with your Over-Subscription Privilege. Because we will not know the total number of Unsubscribed Shares prior to the Expiration Date, if you wish to maximize the number of shares you may purchase pursuant to your Over-Subscription Privilege, you will need to deliver payment in an amount equal to the aggregate Subscription Price for the maximum number of shares of Common Stock available to you, assuming that no Rights holder other than you has purchased any shares of Common Stock pursuant to the Basic Subscription Privilege and Over-Subscription Privilege. Chanticleer will eliminate fractional shares of Common Stock resulting from the exercise of the Over-Subscription Privilege by rounding down to the nearest whole share, with the total subscription payment being adjusted accordingly. Any excess subscription payments received by the Subscription Agent will be returned, without interest, as soon as practicable.

Chanticleer can provide no assurances that you will actually be entitled to purchase the number of shares of Common Stock issuable upon the exercise of your Over-Subscription Privilege in full at the expiration of the Rights Offering. Chanticleer will not be able to satisfy your exercise of the Over-Subscription Privilege if all of the Rights holders exercise their Basic Subscription Privileges in full, and we will only honor an Over-Subscription Privilege to the extent sufficient shares of Common Stock are available following the exercise of the Rights under the Basic Subscription Privileges.

To the extent the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege is less than the amount you actually paid in connection with the exercise of the Over-Subscription Privilege, you will be allocated only the number of Unsubscribed Shares available to you as soon as practicable after the Expiration Time, and your excess subscription payment received by the Subscription Agent will be returned, without interest, as soon as practicable.

To the extent the amount you actually paid in connection with the exercise of the Over-Subscription Privilege is less than the aggregate Subscription Price of the maximum number of Unsubscribed Shares available to you pursuant to the Over-Subscription Privilege, you will be allocated the number of Unsubscribed Shares for which you actually paid in connection with the Over-Subscription Privilege. See “The Rights Offering — The Subscription Rights — Over-Subscription Privilege” in the Prospectus.

The Rights will be evidenced by a non-transferable subscription rights certificate (the “Rights Certificate”) and will cease to have any value at the Expiration Time.

Enclosed are copies of the following documents:

1. Prospectus;
2. Rights Certificate;
3. Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates (including a Notice of Guaranteed Delivery for Rights Certificates Issued by Chanticleer and Guidelines for Request for Taxpayer Identification Number and Certification of Substitute Form W-9); and
4. A return envelope addressed to Securities Transfer Corporation, the Subscription Agent.

Your prompt action is requested. To exercise the Rights, you should deliver the properly completed and signed Rights Certificate (or the Notice of Guaranteed Delivery if you are following the Guaranteed Delivery Procedures) and forward it, with payment of the Subscription Price in full for each share of Common Stock subscribed for pursuant to the Basic Subscription Privilege and the Over-Subscription Privilege, to the Subscription Agent, as indicated in the Prospectus. The Subscription Agent must receive the Rights Certificate or Notice of Guaranteed Delivery with payment of the Subscription Price, including final clearance of any checks, prior to the Expiration Time. A Rights holder cannot revoke the exercise of its Rights. Rights not exercised prior to the Expiration Time will expire.

Additional copies of the enclosed materials may be obtained from Securities Transfer Corporation, the Subscription Agent. The Subscription Agent’s telephone number is (469) 633-0101. Any questions or requests for assistance concerning the rights offering should be directed to the Subscription Agent.

Very truly yours,

Chanticleer Holdings, Inc.

FORM OF BENEFICIAL OWNER ELECTION FORM

The undersigned acknowledge(s) receipt of your letter and the enclosed materials relating to the grant of non-transferable subscription rights (the "Rights") to purchase shares of common stock, par value \$0.0001 per share (the "Common Stock"), of Chanticleer Holdings, Inc. (the "Company").

This will instruct you whether to exercise Rights to purchase shares of Common Stock distributed with respect to the shares of Common Stock held by you for the account of the undersigned, pursuant to the terms and subject to the conditions set forth in the Prospectus and the related "Instructions for Use of Chanticleer Holdings, Inc. Subscription Rights Certificates."

I (we) hereby instruct you as follows:

(CHECK THE APPLICABLE BOXES AND PROVIDE ALL REQUIRED INFORMATION)

Box 1. [] Please DO NOT EXERCISE RIGHTS for shares of Common Stock.

Box 2. [] Please EXERCISE RIGHTS for shares of Common Stock as set forth below:

	Number of Shares of Common Stock Subscribed For		Subscription Price		Payment
Basic Subscription Privilege	_____	x	\$[_____]	=	\$_____ (Line 1)
Over-Subscription Privilege	_____	x	\$[_____]	=	\$_____ (Line 1)
Total Payment Required					\$_____ (Sum of Lines 1 and 2)

Box 3. [] Payment in the following amount is enclosed: \$_____

Box 4. [] Please deduct payment of \$_____ from the following account maintained by you as follows:

(The total of Box 3 and Box 4 must equal the total payment specified above.)

Type of Account _____

Account No. _____

I (we) on my (our) own behalf, or on behalf of any person(s) on whose behalf, or under whose directions, I am (we are) signing this form:

- irrevocably elect to purchase the number of shares of Common Stock indicated above upon the terms and conditions specified in the Prospectus; and
- agree that if I (we) fail to pay for the shares of Common Stock I (we) have elected to purchase, you may exercise any remedies available to you under law.

Name of Beneficial Owner(s): _____

Signature of Beneficial Owners(s): _____

If you are signing in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or another acting in a fiduciary or representative capacity, please provide the following information:

Name: _____

Capacity: _____

Address (including zip code): _____

Telephone Number: _____

FORM OF NOMINEE HOLDER CERTIFICATION

The undersigned, a broker, custodian bank, trustee, depository or other nominee holder of subscription rights (the "Rights") to purchase shares of common stock ("Common Stock") of Chanticleer Holdings, Inc. ("Chanticleer") pursuant to the Rights Offering described and provided for in the Chanticleer prospectus dated [____], 2019 (the "Prospectus"), hereby certifies to Chanticleer and Securities Transfer Corporation, as subscription agent for the Rights Offering, that (1) the undersigned has exercised, on behalf of the beneficial owners thereof (which may include the undersigned), the number of Rights specified below pursuant to the Basic Subscription Privilege (as defined in the Prospectus), and on behalf of beneficial owners of Rights who have subscribed for the purchase of additional shares of Common Stock pursuant to the Over-Subscription Privilege (as defined in the Prospectus), listing separately below each such exercised Basic Subscription Privilege and the corresponding Over-Subscription Privilege (without identifying any such beneficial owner), and (2) each such beneficial owner's Basic Subscription Privilege has been exercised in full:

Number of Shares of Common Stock Owned on the Record Date	Rights Exercised Pursuant to Basic Subscription Privilege	Number of Shares Subscribed For Pursuant to Over-Subscription Privilege
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		

Provide the following information if applicable:

Depository Trust Company ("DTC")

Participant Number

[PARTICIPANT]

By: _____

Name: _____

Title: _____

DTC Basic Subscription Confirmation Number(s)
