

**UNITED STATE DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 12-cv-81123-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,

Plaintiffs,

v.

CHANTICLEER HOLDINGS, INC., MICHAEL
D. PRUITT, ERIC S. LEDERER, MICHAEL
CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN
CAPITAL, INC., DAWSON JAMES
SECURITIES, INC., CREASON &
ASSOCIATES, P.L.L.C.,

Defendants.

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Securities Class Action Settlement Agreement or Settlement Agreement”) is submitted pursuant to Rule 23 of the Federal Rules of Civil Procedure in the above-titled litigation (the “Securities Class Action”). Subject to approval of this Court, this Securities Class Action Settlement Agreement is entered into among Lead Plaintiff Francis Howard and plaintiff Ja’Marr Comer (collectively, the “Plaintiffs” or “Lead Plaintiffs”), and Chanticleer Holdings, Inc. (“Chanticleer”), Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, and Keith Johnson (collectively, along with Chanticleer “the Chanticleer Defendants”) and Creason and Associates, P.L.L.C. (“Creason”), and collectively the Chanticleer

Defendants and Creason are referred to as “the Defendants”, by and through their respective counsel.

I. RECITALS

WHEREAS, the parties hereto state the following:

A. The Securities Litigation

On October 12, 2012, a class action complaint captioned *Francis Howard Individually and on Behalf of All Others Similarly Situated v. Chanticleer Holdings, Inc., Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, Keith Johnson, Mark Hezlett, Merriman Capital, Inc., Dawson James Securities, Inc., Creason & Associates, P.L.L.C.*, Case No. 12-cv-81123-COHN/SELTZER was filed (DE 1). This complaint alleged that the Defendants had made misrepresentations or omissions of material facts in the Registration Statement and Prospectus filed in violation of sections 11, 12(a)(2), and 15 of the Securities Act of 1933. On January 4, 2013, the court entered an order appointing Francis Howard as lead plaintiff and The Rosen Law Firm as lead counsel (DE 27). An amended class action complaint was filed on February 19, 2013 alleging further violations of those same statutory provisions and adding Mark Hezlett as a defendant (“the Amended Class Action Complaint”) (DE 28).¹

¹ These complaints also alleged certain violations against Dawson James Securities, Inc. and Merriman Capital, Inc. (“the Underwriters”). However, these claims against the Underwriters were voluntarily dismissed on May 17, 2013 (DE 47), as confirmed by a court order entered on May 22, 2014 (DE 48).

B. Settlement Negotiations and the Reasons for the Settlement

On December 10, 2013, a mediation session was held in Atlanta, Georgia, presided over by the mediator Hunter Hughes, a partner with the law firm of Rogers & Hardin LLP. The mediation was attended by multiple parties, including respective counsel for the Chanticleer Defendants and Creason, Plaintiffs' counsel, and counsel to and a representative of the insurance carrier, XL Specialty Insurance Company ("XL"). Although substantial progress was made, due to the complexity of the issues involved, no agreement could be reached at that time. The parties continued to negotiate in good faith, and after further progress was made, the parties notified the court on December 11, 2013 that they had agreed in principle to a settlement including a total payment of \$850,000, of which \$837,500 is to be paid on behalf of the Chanticleer Defendants by its carrier, XL, and the remainder of \$12,500 is to be paid by Creason (DE 57). The agreement was subject to negotiation and preparation of definitive settlement documentation containing other material terms. As a result of further negotiations and drafting, a term sheet was signed by all Settling Parties on January 8, 2014 (the "Term Sheet") which sets forth the basis for all disputes to be resolved, subject to final documentation of the various understandings that had been reached.

Based upon (i) investigation into and evaluation of the facts and laws relating to the Claims alleged in the Securities Class Action, including investigating the facts and laws prior to initiating the Securities Class Action, (ii) information obtained from the Defendants prior to the Effective Date, (iii) investigations and legal analysis conducted during the pendency of the Securities Class Action and (iv) sessions with the mediator,

the Settling Parties have agreed to settle the Securities Class Action and to release the Claims pursuant to the terms of this Securities Class Action Settlement Agreement. Lead Counsel believes that this resolution is fair, adequate, reasonable, and in the best interests of Lead Plaintiffs and the Class.

II. TERMS OF THE SETTLEMENT

IT IS HEREBY STIPULATED AND AGREED, by and among the Lead Plaintiffs (individually and in their representative capacity), by and through their duly authorized counsel, and Defendants, by and through their duly authorized counsel, that this Securities Class Action and all matters that have been, could have been or could be raised in the Securities Class Action are hereby settled and compromised as to Defendants and other Releasees, that this Securities Class Action will be dismissed on the merits and with prejudice as to Defendants, and that the Released Plaintiffs' Claims will be released as to Defendants and all other Releasees based upon the terms and conditions set out in this Securities Class Action Settlement Agreement (including the Release), subject to the Court's approval and such approval becoming Final.

A. Definitions

As used in this Securities Class Action Settlement Agreement, the following capitalized terms have the following meanings, unless a Section or Subsection of this Securities Class Action Settlement Agreement provides otherwise:²

1. “Securities Class Action” means the class action styled *Francis Howard Individually and on Behalf of All Others Similarly Situated v. Chanticleer Holdings, Inc., Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, Keith Johnson, Mark Hezlett, Merriman Capital, Inc., Dawson James Securities, Inc., Creason & Associates, P.L.L.C.*, Case No. 12-cv-81123-COHN/SELTZER (S.D. Fla.).

2. “Affiliate” or “Affiliated” means such persons or entities as are defined in 17 C.F.R. Part 210.1-02(b).

3. “Approval Date” means the date on which the Court enters the Order and Final Judgment.

4. “Attorneys’ Fees and Expenses Application” means the application for fees and expenses to be made by Lead Counsel pursuant to paragraph 77 below.

5. “Attorneys’ Fees and Expenses Award” means the fees and expenses awarded by the Court to Lead Counsel (and any other counsel representing Lead Plaintiffs) as provided for in Section G of this Securities Class Action Settlement Agreement.

² Capitalized terms used in this Securities Class Action Settlement Agreement but not defined below shall have the meanings ascribed to them in this Securities Class Action Settlement Agreement.

6. “Authorized Claim” means a claim for recovery from an Authorized Claimant that has been found to be timely and valid under the terms of this Securities Class Action Settlement Agreement.

7. “Authorized Claimant” means a Class Member (or the representative of such Class Member, including, without limitation, agents, administrators, executors, heirs, predecessors, successors, Affiliates or assigns) whose claim for recovery has been found to be timely and valid under the terms of this Securities Class Action Settlement Agreement.

8. “Bar Orders” means the Contribution Bar Order and the Complete Bar Order.

9. “Business Day” means a day other than a Saturday, Sunday or Legal Holiday.

10. “Chanticleer” means Chanticleer Holdings, Inc., and each and all of (i) its parents, predecessors and successors, (ii) its current and former affiliates, divisions, business units, joint ventures (regardless of percentage or interest), subsidiaries, assigns and (iii) all other entities in which Chanticleer has or has had a Controlling Interest or that has or has had a Controlling Interest in Chanticleer.

11. “Chanticleer’s Counsel” means the law firm of Kenny Nachwalter, P.A., including all of their attorneys, employees and representatives.

12. “Claim” or “Claims” means any and all actions, causes of action, proceedings, adjustments, executions, offsets, contracts, judgments, obligations, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, variances,

covenants, trespasses, damages, demands (whether written or oral), agreements, promises, liabilities, controversies, costs, expenses, attorneys' fees and losses of any sort whatsoever, whether in law, in admiralty or in equity, and whether based on a United States federal, state or foreign statutory or common-law right of action or otherwise, whether class, representative, derivative, direct or individual in nature, foreseen or unforeseen, matured or unmatured, known, accrued or not accrued, existing now or to be created in the future, including Unknown Claims.

13. "Claim Form" means the form that Class Members must submit to the Settlement Administrator in order to receive relief pursuant to Section H of this Securities Class Action Settlement Agreement, which will, subject to Court approval, be substantially in the form set out in Exhibit A.

14. "Class" or "Class Members" means those individuals and entities who purchased Chanticleer securities either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer's June 21, 2012 public offering, or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive. Excluded from the class are all named defendants and all individuals who were officers and directors of Chanticleer or Creason on or before February 19, 2013, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest.

15. "Class Period" means the period of time between the June 21, 2012 public offering and February 19, 2013, inclusive.

16. “Complete Bar Order” means that portion of the Order Approving Settlement, the text of which will be substantially in the form set out in paragraphs 8 - 10 of Exhibit B, which the Settling Parties will ask the Court to enter and which is an essential term of this Settlement.

17. “Contribution Bar Order” means that portion of the Order Approving Settlement, the text of which will be substantially in the form set out in paragraph 9 of Exhibit B, which will be entered by the Court pursuant to 15 U.S.C. § 78u-4(f)(7)(A).

18. “Controlling Interest” means an interest in an entity where such interest is sufficient to allow the interest holder directly or indirectly to control the direction of the management and policies of the entity, whether through ownership of voting shares, by contract or otherwise.

19. “Court” means the United States District Court for the Southern District of Florida which is presiding over the Securities Class Action.

20. “Creason” means Creason & Associates, P.L.L.C.

21. “Creason’s Counsel” means Sallah & Cox LLC and Hunter Taubman Weiss LLP, including all of their respective attorneys, employee, and representatives.

22. “Defendants” means Chanticleer, the Individual Defendants and Creason.

23. “Defendants’ Counsel” means the Chanticleer Defendants’ Counsel and Creason’s Counsel.

24. “Effective Date” means the date on which the Securities Class Action Settlement Agreement has been executed by all Settling Parties.

25. “Escrow Account” means the interest-bearing account into which the Settlement Payments will be paid of this Securities Class Action Settlement Agreement, which account will be treated for tax purposes as part of a single Qualified Settlement Fund, as defined below.

26. “Escrow Agent” means the Settlement Administrator, which shall act as escrow agent for the Escrow Account.

27. “Fairness Hearing” means the hearing at or after which the Court will make a decision (i) whether to approve the Settlement as fair, reasonable and adequate, (ii) whether to finally certify the Settlement Class, and (iii) whether to grant the Attorneys’ Fees and Expenses Application.

28. “Final” means, when used in connection with any court judgment or order, that the judgment or order will be final:

a. if no appeal is taken, the date on which the time to appeal from the judgment or order (including any potential extension of time) has expired; or

b. if any appeal is taken from the order and judgment, the date on which all such appeals – including any petitions for rehearing *en banc*, petitions for *certiorari* or any other form of review and any related appeals or petitions, including as to any appeal bond – have been finally disposed of, such that the time to appeal therefrom (including any potential extensions of time) has expired, in a manner resulting in an affirmance of the relevant judgment or order.

29. “Final Settlement Date” means the date on which the Order Approving Settlement and Judgment in this Securities Class Action becomes Final.

30. “Individual Defendants” means Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz and Keith Johnson.

31. “Individual Defendants’ Counsel” means the law firm of Kenny Nachwalter, P.A, including all of their respective attorneys, employee, and representatives.

32. “Individual Notice” or “Notice” means the notice described in Section D of this Agreement that will be disseminated to Class Members to inform them of the proposed Settlement, which notice shall, subject to Court approval, be substantially in the form set out in Exhibit C to this Securities Class Action Settlement Agreement.

33. “Investment Decision” means a decision regarding an investment in Chanticleer securities, including, without limitation, a decision to hold Chanticleer securities after purchasing or acquiring them.

34. The “Offering” means the public offering of Chanticleer Securities (common stock and warrants) that occurred on or about June 21, 2012.

35. “Judgment” means the judgment to be entered by the Court pursuant to the Order Approving Settlement, which shall be substantially in the form set out in Exhibit B to this Securities Class Action Settlement Agreement.

36. “Lead Counsel” means The Rosen Law Firm, including all of its attorneys, employees, and representatives.

37. “Lead Plaintiffs” or “Plaintiffs” mean Francis Howard and Ja’Marr Comer.

38. “Legal Holiday” means New Year’s Day, the observance of the Birthday of Martin Luther King, Jr., Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day and any other day designated as a federal or Florida state holiday.

39. “Net Cash Settlement Amount” means the Qualified Settlement Fund, less the payments described in paragraph 82(1), (2) and (3) below that are made from the Escrow Account.

40. “Nominees” means brokerage firms, banks and other institutions that hold Chanticleer securities in street name or other similar fashion for the benefit of other persons or entities.

41. “Notice and Administrative Expenses” means all expenses incurred associated with administration and implementation of this Settlement, including the costs associated with identifying and providing notice to class member and Settlement Administrator’s fees and expenses; *provided, however*, that Notice and Administrative Expenses shall not include the Attorneys’ Fees and Expenses Award.

42. “Objection Date” means the date by which objections to the Settlement proposed in this Securities Class Action Settlement Agreement must be filed with the Court and served on counsel as set out in the Preliminary Approval Order.

43. “Order Approving Settlement” means the order to be entered by the Court approving the Settlement and this Securities Class Action Settlement

Agreement as contemplated in Section K of this Securities Class Action Settlement Agreement, which order shall be substantially in the form set out in Exhibit B to this Securities Class Action Settlement Agreement.

44. “Plan of Allocation” means the terms and procedures for allocating the Net Cash Settlement Amount among, and distributing the Net Cash Settlement Amount to, Authorized Claimants, which shall, subject to Court approval, be substantially in the form set out in the Individual Notice.

45. “PSLRA” means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4, *et seq.*

46. “Preliminary Approval Date” means the date on which the Court enters the Preliminary Approval Order.

47. “Preliminary Approval Hearing” means the hearing at or after which the Court preliminarily approves the proposed Settlement.

48. “Preliminary Approval Order” means the order to be entered by the Court concerning notice, administration and the Fairness Hearing, as contemplated in Section J of this Securities Class Action Settlement Agreement, which order shall be substantially in the form set out in Exhibit D to this Securities Class Action Settlement Agreement.

49. “Publication Notice” means the notice described in Section D of this Securities Class Action Settlement Agreement, which notice shall, subject to Court approval, be substantially in the form set out in Exhibit E to this Securities Class Action Settlement Agreement.

50. “Qualified Settlement Fund” means the Settlement Amount plus all interest earned on the Settlement Amount. The Qualified Settlement Fund is a fund within the meaning of Treasury Regulations § 1.468B-1 and Section 468B of the Internal Revenue Code, for taxable years of the Escrow Account, beginning with the date it is created.

51. “Recognized Claim” shall have the meaning attributed to it in the Plan of Allocation.

52. “Release” means the release set forth in Section I of this Securities Class Action Settlement Agreement.

53. “Released Defendants’ Claims” means each and every Claim that has been, could have been, or could be asserted in the Securities Class Action or in any other proceeding by any Releasee, including any Defendant, or the successors and assigns of any Releasee, against any Lead Plaintiff, any other Class Member, any other Releasee, or their attorneys (including Lead Counsel), including any consultants, experts or other professionals retained by Lead Counsel during the course of this litigation, that arises out of or relates in any way to the institution, prosecution, investigation, defense or settlement of the Securities Class Action, including any or all of the acts, failures to act, omissions, misrepresentations, facts, events, matters, transactions, occurrences, or oral or written statements or representations of Releasees; provided, however, the foregoing shall not include any Claims to enforce this Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement; provided further that Released Defendants Claims shall not include any release or bar

order by or from any of the Chanticleer Defendants of any claims against Mark Hezlett or against one or more of the Underwriters, all of which claims are expressly preserved and not released or barred notwithstanding any other provisions of this Securities Class Action Settlement Agreement.

54. “Released Plaintiffs’ Claims” means any and all claims, debts, demands, actions, causes of action, specialties, covenants, contracts, variances, damages, executions, rights, suits, sums, accounts, reckonings, presentments, extents and any other liabilities, fixed or contingent, matured or not matured, of or by the Class, or any member or representative of the Class, as against the Releasees, including both known claims and Unknown Claims, whether class, representative, derivative, direct or individual in nature, that were asserted, could have been asserted, could in the future be asserted, or are related to the claims that were, could have been, or could in the future be asserted, in the Securities Class Action or in any other action or proceeding, or otherwise, by the Class, or by any member or representative of the Class (including, without limitation, any claims for alleged violations of federal or state statutory or common law, or any other law, and for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expense, or liability whatsoever), arising from or relating to the Offering or to the purchase or acquisition of securities of Chanticleer either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer’s June 21, 2012 public offering, or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive; *provided, however*, that the term “Released Plaintiffs’ Claims” does not

include any claims to enforce this Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement.

55. “Releasee” means each and every one of, and “Releasees” means all of, (i) Chanticleer, (ii) the Individual Defendants, (iii) Creason, (iv) their past or present affiliates, subsidiaries, parents, officers, directors, employees, officials, members, partners, principals, agents, representatives, attorneys (including any and all in-house and outside counsel including, without limitation, Defendants’ Counsel), advisors, investment advisors, administrators, auditors (including any and all internal and external auditors), accountants, actuaries, consultants, fiduciaries, representatives, service providers, successors or predecessors, trustees, the underwriters, insurance carriers, reinsurers, estates, heirs, executors, beneficiaries, trusts, assigns *of any or all* of (i), (ii) and (iii) named above, and any person or entity in which any of the above has a Controlling Interest.

56. “Releasor” means each and every one of, and “Releasors” means all of, Lead Plaintiffs and all other Class Members, including their respective past or present parents, predecessors, successors, current and former Affiliates, divisions, business units, joint ventures, subsidiaries, assigns, any entities in which any Releasor has or had a Controlling Interest or that has or had a Controlling Interest in him, her or it, and any other person or entity (including any governmental entity) claiming by or through, on behalf of, for the benefit of, as representative of Lead Plaintiffs or any other Class Member or derivatively, further including the respective past and present officers, directors, employees, officials, members, partners, principals, agents, representatives,

attorneys (including any and all in-house and outside counsel), advisors, administrators, auditors (including any and all internal and external auditors), accountants, actuaries, consultants, fiduciaries, representatives, service providers, successors-in-interest, trustees and insurance carriers, reinsurers, estates, heirs, executors, beneficiaries, trusts, trustees and assigns of any or all of the above persons or entities.

57. “Settlement” means the settlement terms, conditions and other provisions that are memorialized in this Securities Class Action Settlement Agreement.

58. “Settlement Administrator” means Strategic Claims Services.

59. “Securities Class Action Settlement Agreement” means this Stipulation of Settlement and its Exhibits attached hereto, including any subsequent written amendments to the Stipulation of Settlement and/or to its Exhibits.

60. “Settling Parties” means all parties to this Securities Class Action Settlement Agreement.

61. “Settlement Payments” means those cash payments to be made into the Escrow Account as part of the consideration for Settlement.

62. “Settlement Amount” means the sum in the amount of \$850,000 in cash.

63. “Termination Date” means that date on which any of the Settling Parties provides notice that he, she or it is exercising a right to terminate this Securities Class Action Settlement Agreement under Section M of this Securities Class Action Settlement Agreement.

64. “Unknown Claim” means any and all (i) Released Class Members’ Claims that any Releasor does not know or suspect exists with respect to one or more Releasees at the time of the release of the Releasees, or (ii) Released Defendants’ Claims that any Releasee does not know or suspect exists with respect to one or more Releasors at the time of the release of the Releasors, which, if known by such Releasee or Releasor (as the case may be) might have affected his, her or its decision(s) concerning this Securities Class Action Settlement Agreement. As to all Claims released in this Securities Class Action Settlement Agreement, each of the Lead Plaintiffs, Chanticleer, Individual Defendants and Creason expressly waives, and each Class Member shall be deemed to have waived, and by operation of the Order Approving Settlement and Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States or of any other country, or any principle of federal or common law, that is similar, comparable or equivalent to California Civil Code Section 1542, which provides:

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

Lead Plaintiffs, Chanticleer, Individual Defendants and Creason acknowledge, and all other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the Claims released pursuant to the Securities Class Action Settlement Agreement was separately bargained for and is a key element of this Securities Class Action Settlement Agreement.

65. “XL” means XL Specialty Insurance Company.

B. Second Amended Complaint and Class Certification

66. For purposes of this Settlement only, and subject to approval of the Court in accordance with Rule 23(e) of the Federal Rules of Civil Procedure, the Settling Parties stipulate to the acceptance of the Second Amended Class Action Complaint as the operative complaint in this Securities Class Action, which amendment shall be limited to the sole purpose of adding Ja’Marr Comer as a named Plaintiff. Further, for purposes of this Settlement only, the Settling Parties stipulate to the certification of the Class, as defined herein, and the appointment of Francis Howard and Ja’Marr Comer as Class Representatives.

C. Settlement Consideration

67. In consideration of the Settlement of Claims asserted in this Securities Class Action, and subject to the terms and conditions of the Securities Class Action Settlement Agreement, the following Settlement Payments shall be made into the Escrow Account within fifteen (15) Business Days following the date of entry of the Preliminary Approval Order and delivery of adequate payment instructions, (1) XL, on behalf of the Chanticleer Defendants shall pay \$837,500, and (2) Creason shall pay \$12,500.

68. The Escrow Account shall be an interest bearing account selected by the Escrow Agent held for the benefit of Lead Plaintiffs and the Class until such time as the Settlement becomes Final. If the settlement is approved, and such approval becomes Final on the Final Settlement Date, the Escrow Agent, in cooperation with the

Settlement Administrator, shall distribute the settlement payments in accordance with the provisions of Section H below. In the event the Settlement is terminated, all money in the Escrow Account shall be returned pro rata to XL and Creason the portion due to each consistent with the amounts paid pursuant to Paragraph 67 above, less any amounts incurred as Notice and Administrative Expenses and/or taxes, up to the \$50,000, initially allocated from the Qualified Settlement Fund for Notice and Administrative Expenses.

69. The Escrow Agent shall not be responsible for the payment of any sums due to Authorized Claimants or other persons except to the extent of maintaining account of and appropriately paying sums as required by this Agreement, but only to the limited extent that such sums have been delivered into the Escrow Account as required by this Agreement.

D. Notice to Class Members and Other Communications

70. Subject to the requirements of the Preliminary Approval Order, Lead Counsel shall cause the Individual Notice and the Claim Form, substantially in the forms annexed hereto as Exhibits A and C, respectively, to be mailed, by first class mail, postage prepaid, 16 Business Days after entry of the Preliminary Approval Order, to Class Members at the address of each such person as set forth in the records of Chanticleer or its transfer agent, or who otherwise can be identified through reasonable effort. The parties shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms, and Chanticleer shall use reasonable efforts to cause or arrange for Chanticleer's transfer agent to provide to the Settlement Administrator, no later than fifteen (15) Business Days after entry of the Preliminary

Approval Order, records concerning the identity of potential Class Members and their transactions (consisting of shareholder names and addresses). Lead Counsel shall, at least thirty-five (35) days before the Fairness Hearing, file with the Court proof of mailing of the Individual Notice and Claim Form.

71. Within sixteen (16) Business Days after entry of the Preliminary Approval Order, (i) Lead Counsel shall cause the Publication Notice, substantially in the form annexed hereto as Exhibit E, to be published over *GlobeNewswire*. A copy of the Publication Notice, substantially in the form as set out in Exhibit E, shall be submitted to the Court for approval at the time the Settling Parties submit this Securities Class Action Settlement Agreement to the Court for Preliminary Approval. Lead Counsel shall, at least thirty five (35) days before the Fairness Hearing, file with the court proof of such publication.

72. The parties to this Securities Class Action Settlement Agreement expressly reserve the right to communicate with and respond to inquiries by shareholders. The parties shall not disparage this Settlement, Lead Plaintiffs, Lead Counsel, the Chanticleer Defendants, Chanticleer's Counsel, Creason or Creason's Counsel in connection with any communications with Class Members in this regard, nor shall any of the parties urge Class Members to exclude themselves from this Settlement.

73. Any party to the Settlement or its counsel wishing to issue a press release or other public statement about the Settlement that is not expressly set forth herein, shall provide counsel for all other parties to the Settlement a reasonable opportunity to review and comment upon the press release or public statement. The

parties to the Settlement shall cooperate to ensure that any media statements regarding the settlement are balanced, fair, accurate and non-disparaging, and shall not urge Class Members to exclude themselves from this Settlement.

E. Notice and Administrative Expenses

74. Upon entry of the Preliminary Approval Order, Notice and Administrative Expense, shall be paid out of the Qualified Settlement Fund. Lead Counsel may draw upon the Qualified Settlement Fund for Notice and Administrative Expenses without further order of the Court, provided, however, that prior to the Settlement being Final, no more than fifty thousand dollars (\$50,000) may be paid for such Notice and Administration Expenses without further order of the Court. All such Notice and Administrative Expenses shall be paid from the Qualified Settlement Fund.

F. Objections by Class Members

75. Any Class Member who wishes to object to the fairness, reasonableness or adequacy of this Agreement, to any term(s) of this Agreement or to the proposed Attorneys' Fees and Expenses Award may do so no later than twenty-one (21) days before the date on which the Fairness Hearing is set, and subject to the requirements set out in the Preliminary Approval Order.

76. Objectors' attorneys must file notice(s) of appearance.

G. Attorneys' Fees and Expenses and Class Action Plaintiffs Incentive Awards

77. Lead Counsel shall file and serve the Attorneys' Fees and Expenses Application not later than thirty five (35) days prior to the Fairness Hearing.

Defendants will not object to Lead Plaintiffs' request for the Attorneys' Fees and Expenses Award to be drawn from the Qualified Settlement Fund in an aggregate amount not to exceed one-third of the Qualified Settlement Fund set out in Paragraph 67 above.

78. Any Attorneys' Fees and Expenses Award will be subject to approval by the Court.

79. The Attorneys' Fees and Expenses Award awarded by the Court shall be paid to Lead Counsel (as designated by the Court) from the Escrow Account established pursuant to Section C above within five (5) Business Days from the Final Settlement Date.

H. Administration of Settlement

80. The Settlement Administrator shall be appointed by Lead Counsel subject to the approval of the other parties to the Securities Class Action Settlement Agreement, which approval shall not be unreasonably withheld.

81. The Settlement Administrator shall administer the process of receiving, reviewing and approving or denying claims under Lead Counsel's supervision and subject to the jurisdiction of the Court. With the sole exception of XL's obligation on behalf of the Chanticleer Defendants and Creason's obligation to pay the Settlement Amount into the Escrow Account, the Defendants shall have no responsibility for the administration of the Settlement and shall have no liability to the Class Members or Lead Counsel in connection with this administration. Lead Counsel shall designate a contact person at the Settlement Administrator to whom Defendants may refer all inquiries they receive from potential claimants.

82. The Qualified Settlement Fund shall be applied as follows:

- (1) to pay counsel's attorneys' fees and expenses with interest thereon and the expenses of Plaintiffs (the "the Attorneys' Fees and Expenses Award"), if and to the extent allowed by the Court;
- (2) to the extent not already paid, to pay without prior order of the Court, Notice and Administrative Expenses;
- (3) to pay the taxes and tax expenses; and
- (4) to distribute the balance of the Settlement Fund to Authorized Claimants as allowed by this Agreement, the Plan of Allocation, or order of the Court.

83. The Plan of Allocation proposed in the Notice is not a necessary term of this Securities Class Action Settlement Agreement, and it is not a condition of this Securities Class Action Settlement Agreement that any particular Plan of Allocation be approved. Any change in the allocation in the Plan of Allocation order by the Court shall not affect the validity of this Settlement.

84. Each Authorized Claimant shall be allocated a pro rata share of the Net Cash Settlement Amount based on his, her or its loss amount compared to the total loss amounts of all Authorized Claimants in accordance with the Plan of Allocation. This is not a claims-made settlement. The Defendants shall not be entitled to get back any of the Settlement consideration once the settlement is Final.

85. Any Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Cash Settlement Amount, but will otherwise be bound by all of the terms of this Securities Class Action Settlement Agreement and the Settlement, including the terms of the Final Judgment to be entered in the Securities Class Action and the Releases provided for herein, and will be barred and enjoined from bringing any action against the Releasees concerning the Released Claims.

86. Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Cash Settlement Amount in cooperation with the Settlement Administrator. The Defendants shall have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Net Cash Settlement Amount. The Defendants shall not be permitted to review, contest or object to any Claim Form or any decision of the Settlement Administrator or Lead Counsel with respect to accepting or rejecting any Claim Form or Claim for payment by a Class Member. Lead Counsel shall have the right, but not the obligation, to waive what they deem to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

87. No Class Member shall have any claim against Lead Plaintiffs, Lead Counsel, Defendants, Defendants' Counsel, any insurers, including XL or the Settlement Administrator based on, or in any way relating to, the distributions from the Net Settlement Fund that have been made substantially in accordance with this Agreement and any applicable orders of the Court.

88. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

a. Each Class Member shall be required to submit a Claim Form substantially in the form attached hereto as Exhibit A, supported by such documents as are designated therein, or such other documents or proof as the Settlement Administrator or Lead Counsel, in their discretion, may deem acceptable.

b. All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by Order of the Court. Any Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Cash Settlement Amount or payment pursuant to this Securities Class Action Settlement Agreement (unless, by Order of the Court, late-filed Claim Forms are accepted), but shall in all other respects be bound by all of the terms of this Securities Class Action Settlement Agreement and the Settlement including the terms of the Final Judgment and the Releases provided for herein, and will be barred and enjoined from bringing any action against the Releasees concerning the Released Plaintiffs' Claims. A Claim Form shall be deemed to be submitted when posted, if received

with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon.

c. Each Claim Form shall be submitted to and reviewed by the Settlement Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Securities Class Action Settlement Agreement, the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below.

d. Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Settlement Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Settlement Administrator, under the supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all Claimants whose Claim they propose to reject in whole or in part, setting forth the reasons therefore, and shall indicate in such notice that the Claimant whose claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below.

e. If any Claimant whose claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the rejection notice required in subparagraph (d) above, serve upon the Settlement Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

f. The administrative determinations of the Settlement Administrator in accepting and rejecting Claims shall be presented to the Court, on notice to Defendants' Counsel, for approval by the Court.

89. Each Claimant shall be deemed to have submitted to the exclusive jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, *provided, however* that such investigation and discovery shall be limited to that Claimant's status as a Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of the Securities Class Action or Settlement in connection with the processing of Claim Forms.

90. Lead Counsel will apply to the Court, on notice of Defendants' Counsel, for a Class Distribution Order (a) approving the Settlement Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted, (b) approving additional payment (not expressly provided herein) of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account, and (c) if the Final Settlement Date has occurred, directing payment of the Net Cash Settlement Amount to the Authorized Claimants.

91. The Net Cash Settlement Amount shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Individual Notice and approved by the Court. Any such Plan of Allocation is not a part of this Stipulation. No funds from the Net Cash Settlement Amount shall be distributed to Authorized Claimants until the Final Settlement Date. If there is any balance remaining in the Net Cash Settlement Amount after six (6) months from the date of distribution of the Net Cash Settlement Amount (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Cash Settlement Amount shall be donated to one or more secular §501(c)(3) organization(s) selected by Lead Counsel, in consultation with Chanticleer's Counsel.

92. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Class Members. All Class Members whose claims are not approved by the Court shall be barred from participating in distributions from the Net

Cash Settlement Amount, but otherwise shall be bound by all of the terms of this Securities Class Action Settlement Agreement and the Settlement, including the terms of the Final Judgment to be entered in the Securities Class Action and the releases provided for herein, and will be barred and enjoined from bringing any action against any and all of the Releasees concerning any and all of the Released Plaintiffs' Claims.

93. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the exclusive jurisdiction of the Court presiding over the Securities Class Action.

94. The Settlement Administrator is to be charged with, among other things, distribution of the individual notice, publication of the publication notice, posting documents relevant to the Settlement on its website, providing a toll-free number to handle shareholder calls, receipt of requests for exclusion and, in cooperation with Lead Counsel, distribution of settlement relief to class members in the Settlement.

I. Releases and Waivers

95. Pursuant to the Final Order and the Judgment, without further action by anyone, and whether or not a Claim Form has been executed and/or delivered by or on behalf of any such Class Member, on and after the Final Settlement Date, Lead Plaintiffs and all other Class Members, on behalf of themselves and all other Releasers, for good and sufficient consideration, and all Releasers shall be deemed to have, and by

operation of law and of the Order Approving Settlement and the Judgment shall have, fully, finally, and forever released, relinquished, settled, and discharged:

- a. all Released Plaintiffs' Claims against each and every one of the Releasees, including Defendants' Counsel; and
- b. all Claims, damages, and liabilities as to each and every one of the Releasees to the extent that any such Claims, damages or liability relate in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to, (i) the prosecution, defense, or settlement of the Securities Class Action, (ii) the Securities Class Action Settlement Agreement, (iii) the Settlement terms and their implementation, (iv) the provision of notice in connection with the proposed Settlement, and/or (v) the resolution of any Claim Forms filed in connection with the Settlement; and
- c. all Claims against any of the Releasees for attorneys' fees, costs, or disbursements incurred by Lead Plaintiffs' counsel (including Lead Counsel) or any other counsel representing Lead Plaintiff or any other Class Member in connection with or related in any manner to the Securities Class Action, the settlement of the Securities Class Action, or the administration of the Securities

Class Action and/or its settlement, except to the extent otherwise specified in the Securities Class Action Settlement Agreement.

96. Pursuant to the Order Approving Settlement and the Judgment, without further action by anyone, on and after the Final Settlement Date, each and all Releasees, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Final Order and the Judgment shall have, fully, finally, and forever released, relinquished, settled and discharged:

a. Each and all Releasors, including Lead Counsel, from any and all Released Defendants' Claims, except to the extent otherwise specified in this Securities Class Action Settlement Agreement; and

b. Each and all other Releasees from any and all Claims relating to or arising from the Securities Class Action, Released Plaintiffs' Claims or Released Defendants' Claims, except to the extent otherwise specified in this Securities Class Action Settlement Agreement; provided, however that Chanticleer and the Individual Defendants do not release nor are they barred from asserting any Claims they have or may have (i) relating to their insurance or reinsurance policies except to the extent that Chanticleer and/or the Individual Defendants have otherwise agreed, (ii) against Mark Hezlett, or (iii) arising from any other

written agreement between Chanticleer any of the other Individual Defendants, or (iv) against one or more of the Underwriters.

97. Pursuant to the Order Approving Settlement and the Judgment, without further action by anyone, on and after the Final Settlement Date, Lead Counsel, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, Affiliates, assigns and any person or entity claiming by or through any of them, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Final Order and the Judgment shall have, fully, finally, and forever released, relinquished, settled and discharged Defendants' Counsel and all other Releasees from any and all Claims that relate in any way to any and all acts directly or indirectly relating to the prosecution, defense, or settlement of the Securities Class Action or to the Securities Class Action Settlement Agreement, except to the extent otherwise specified in the Securities Class Action Settlement Agreement.

98. Nothing in the Order Approving Settlement or the Judgment shall bar any action or Claim by the Settling Parties or their counsel to enforce the terms of the Securities Class Action Settlement Agreement or the Order Approving Settlement or the Judgment.

99. The releases and waivers contained in this Section were separately bargained for and are essential elements of the Securities Class Action Settlement Agreement.

J. Preliminary Approval Hearing and Preliminary Approval Order

100. Within twenty (20) Business Days following the execution of this Securities Class Action Settlement Agreement, Lead Plaintiffs shall file a motion for Preliminary Approval of the Securities Class Action Settlement Agreement, which motion Defendants shall not oppose if consistent with the terms of the Settlement. Such motion shall request that the court enter the Preliminary Approval Order substantially in the form attached as Exhibit “D”.

K. Fairness Hearing, Order Approving Settlement and Judgment and Dismissal

101. The Settling Parties shall request that the Court schedule a Fairness Hearing at which to consider whether to (i) to approve this Agreement as fair, reasonable and adequate and in the best interest of the Class, (ii) finally certify the Settlement Class, and (iii) approve Lead Counsel’s request for an Attorneys’ Fees and Expenses Award.

102. If the Court approves the Agreement, the Settling Parties shall jointly ask the Court to enter an Order and Final Judgment substantially in the form attached as Exhibit B. This Order and Final Judgment shall provide for the dismissal with prejudice the Securities Class Action.

103. The parties to the Settlement shall request that the Court retain exclusive continuing jurisdiction over the Securities Class Action and the Securities Class Action Settlement Agreement.

L. No Admissions

104. This Securities Class Action Settlement Agreement, whether or not consummated, and any proceedings taken pursuant to it:

a. shall not be offered or received against the Defendants as evidence of, or construed as or deemed to be evidence of, any presumption, concession or admission by any of the Defendants with respect to the truth of any fact alleged by Plaintiffs or the validity of any claim that had been or could have been asserted against the Defendants in the Securities Class Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Defendants;

b. shall not be offered or received against the Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant, or against the Lead Plaintiffs or any other Class Members as evidence of any infirmity on the claims of the Lead Plaintiffs or the other Class Members;

c. shall not be offered or received against the Defendants as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to this

Stipulation, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Securities Class Action Settlement Agreement; *provided, however*, that if this Securities Class Action Settlement Agreement is approved by the Court, Defendants may refer to it to effectuate the liability protection granted them hereunder;

d. shall not be construed against Defendants, Lead Plaintiffs or any other Class Members as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

e. shall not be construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or other Class Members or any of them that any of their claims are without merit or that damages recoverable under the Complaint would not have exceeded the Settlement amounts; and/or

f. shall not be construed as or received in evidence as an admission, concession or presumption that class certification is appropriate in this Securities Class Action other than for settlement purposes.

M. Modification or Termination of this Securities Class Action Settlement Agreement

105. The terms and provisions of this Securities Class Action Settlement Agreement may not be altered, amended or modified except in writing signed by all Settling Parties.

106. Any Settling Party shall have the right to terminate the Settlement if the Court does not approve the Securities Class Action Settlement Agreement, or if the Court (or any appellate court) modifies the Settlement Agreement in any way that a Settling Party to the Settlement in good faith determines is material.

107. Lead Plaintiffs may not terminate the Settlement based on the Attorneys' Fees and Expenses Award..

108. Each Defendant in the Securities Class Action shall have the option (but not the obligation) to terminate the Settlement if valid exclusion requests are received from eligible Class Members as provided for by separate agreement as specified in Paragraph II.X of the Term Sheet, not to be filed with the Court unless necessary to establish that such option to terminate has been triggered; *provided, however*, that exercise of this termination option must be made no later than seven (7) days before the date on which the Fairness Hearing is scheduled. Lead Counsel shall have the right to contact those parties that have filed requests for exclusion in an effort to have such parties withdraw their request for exclusion.

109. If the Settlement is terminated or does not become Final, all Settling Parties shall be returned to the same positions as before the execution of the

Securities Class Action Settlement Agreement except with respect to amounts paid or due in connection with providing notice or to the Settlement Administrator, which amounts shall be paid as provided in this Securities Class Action Settlement Agreement.

110. If XL (solely on behalf of the Chanticleer Defendants), and/or Creason (solely on behalf of Creason) fail to pay their respective share of the Settlement Amount pursuant to this Agreement, then Lead Plaintiffs may elect at any time prior to the Court's entering the Final Judgment: (a) to terminate the Settlement as to the non-paying party (the Chanticleer Defendants and/or Creason) by providing written notice to Defendants' Counsel; or (b) seek to enforce the terms of this Agreement against the defaulting party (Chanticleer and/or Creason, but not including the Individual Defendants) and seek a judgment against the non-paying party (Chanticleer and/or Creason, but not including the Individual Defendants) for their unpaid amounts as provided for in Paragraph 67 above. The Settling Parties agree that to the extent Plaintiffs seek entry of judgment for unpaid amounts against a non-paying party (Chanticleer and/or Creason, but not including the Individual Defendants), the motion and/or application shall be briefed on an expedited basis. Defendants may not terminate the Settlement if the Settlement Amount is not timely and completely made.

N. Tax Treatment

111. The Settling Parties agree that the Qualified Settlement Fund is "a qualified settlement fund" within the meaning of Treasury Regulation § 1.468B-1 and Section 468B of the Internal Revenue Code, as amended, for the taxable years of the Qualified Settlement Fund, beginning with the date it is created. The Settlement

Administrator shall promptly upon execution of this Securities Class Action Settlement Agreement apply for and obtain a tax identification number for the Qualified Settlement Fund and shall provide it to all parties. In addition, the Settlement Administrator and, as required, Lead Counsel, shall jointly and timely make such elections as are necessary or advisable to carry out the provisions of this paragraph, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1G)(2)) to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of Settlement Administrator to timely and properly prepare, and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

112. For purposes of Section 468B of the Internal Revenue Code, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Settlement Administrator, who shall timely and properly file all tax returns necessary or advisable with respect to the Qualified Settlement Fund, and make all required tax payments, including deposits of estimated tax payments in accordance with Treas. Reg. § 1.468B-2(k). Such returns (as well as the election described in Paragraph 111) shall be consistent with this paragraph and reflect that all taxes (including any interest or penalties) on the income earned by the Qualified Settlement Fund shall be paid out of the Qualified Settlement Fund as provided in Paragraph 111.

113. All taxes and tax expenses shall be paid out of the Qualified Settlement Fund without prior approval of the Court, because they are Notice and Administrative Expenses. The Escrow Agent shall be obligated (notwithstanding

anything herein to the contrary) to withhold from distribution to Class Members any funds necessary to pay such amounts including the establishment of adequate reserves for any fees, taxes and tax expenses (as well as any amounts that may be required to be withheld under Treas. Reg. § 1468B-2(1)(2)). The Settling Parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

114. Defendants shall have no liability for or obligations with regard to taxes and tax expenses. The Qualified Settlement Fund shall indemnify and hold each of Defendants and Defendants' Counsel, and each of their Released Parties harmless for any taxes and tax expenses (including, without limitation, taxes payable by reason of such indemnification).

115. Lead Plaintiffs and Lead Counsel shall have no liability for or obligations with regard to taxes and tax expenses. The Qualified Settlement Fund shall indemnify and hold each of Lead Plaintiffs and Lead Counsel, and each of their Released Parties harmless for any taxes and tax expenses (including, without limitation, taxes payable by reason of such indemnification).

O. Miscellaneous Provisions

116. Within twenty (20) days of the Final Settlement Date, anyone who received production of documents from another party shall either destroy all such production in all forms received, or return such production in all forms received to the producing party.

117. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

118. The parties to this Securities Class Action Settlement Agreement intend the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by the Lead Plaintiffs, any other Class Members and their attorneys against the Releasees with respect to the Claims. Accordingly, Lead Plaintiffs and Defendants agree not to assert in any forum that the Securities Class Action was brought by plaintiffs or defended by Defendants in bad faith or without a reasonable basis. The Parties hereto shall assert no claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense or settlement of the Securities Class Action. The parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the parties, including a mediation conducted by a professional mediator, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

119. This Securities Class Action Settlement Agreement may not be modified or amended, nor may any of its provisions be waived, except in writing signed by all signatories hereto or their successors-in-interest.

120. This Securities Class Action Settlement Agreement and enforcement of all of its terms, conditions and obligations are conditioned upon the Final Order approving Settlement.

121. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

122. The administration and consummation of the Settlement as embodied in this Securities Class Action Settlement Agreement shall be under the authority of the Court, and the Court shall retain exclusive jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Lead Counsel and enforcing the terms of this Securities Class Action Settlement Agreement.

123. The waiver by one party of any breach of this Securities Class Action Settlement Agreement by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Securities Class Action Settlement Agreement.

124. This Securities Class Action Settlement Agreement and its exhibits constitute the entire agreement among the parties hereto concerning the Settlement of the Securities Class Action, and no representations, warranties or inducements have been made by any party hereto concerning this Securities Class Action Settlement Agreement and its exhibits other than those contained and memorialized in such documents.

125. This Securities Class Action Settlement Agreement may be executed in one or more original and/or faxed counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

126. This Securities Class Action Settlement Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

127. The construction, interpretation, operation, effect and validity of this Securities Class Action Settlement Agreement, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of Florida without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

128. This Securities Class Action Settlement Agreement shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the parties, it being recognized that it is the result of arm's length negotiations between the parties, and all parties have contributed substantially and materially to the preparation of this Securities Class Action Settlement Agreement.

129. Whenever this agreement requires or contemplates that a Settling Party shall or may give notice to the other, unless otherwise specified, notice shall be provided by email and next-day (excluding Saturday and Sunday) express delivery service as follows, and shall be deemed effective upon delivery to the indicated electronic and physical address, as the case may be, below:

If to Plaintiffs:

Laurence M. Rosen
Email: lrosen@rosenlegal.com
Philip Kim
Email: pkim@rosenlegal.com
The Rosen Law Firm
275 Madison Avenue, 34th Floor
New York, NY 10016

If to Chanticleer or the Individual Defendants:

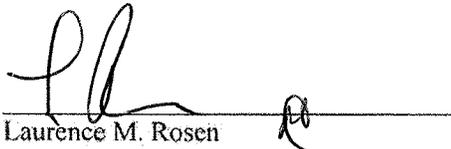
Stanley H. Wakshlag (FL Bar No. 266264)
E-mail: swakshlag@knpa.com
Kenny Nachwalter, P.A.
1100 Miami Center
201 South Biscayne Boulevard
Miami, FL 33131-4327

If to Creason:

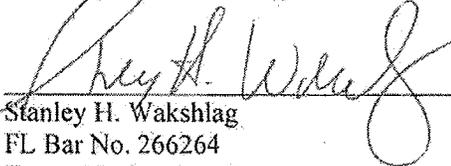
Mark D. Hunter
Email: mdhunter@htwlaw.com
Hunter Taubman Weiss LLP
255 University Drive
Coral Gables, FL 33134

130. All counsel and any other persons executing this Securities Class Action Settlement Agreement and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Securities Class Action Settlement Agreement to effectuate its terms.

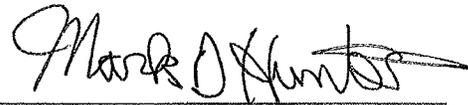
Agreed to as of this 17th day of March, 2014.



Laurence M. Rosen
Fla. Bar No. 0182877
The Rosen Law Firm
Phone: (212) 686-1060
Counsel for Lead Plaintiffs



Stanley H. Wakshlag
FL Bar No. 266264
Kenny Nachwalter, P.A.
Telephone: (305) 373-1000
*Counsel for Chanticleer Holdings, Inc.,
Michael Pruitt, Eric Lederer, Paul
Moskowitz, Michael Carroll, Keith
Johnson*



Mark D. Hunter
Fla. Bar No. 0012995
Hunter Taubman Weiss LLP
Tel.: (305) 629-8816
*Counsel for Creason & Associates,
P.L.L.C.*

and

James D. Sallah
Fla. Bar No. 0092584
Sallah & Cox LLC
Tel.: (561) 989-9080
*Counsel for Creason & Associates,
P.L.L.C.*

Exhibit A

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

PROOF OF CLAIM AND RELEASE

Deadline for Submission: _____

IF YOU PURCHASED CHANTICLEER HOLDINGS, INC. SECURITIES EITHER (I) PURSUANT AND/OR TRACEABLE TO THE COMPANY'S JUNE 21, 2012 PUBLIC OFFERING OR (II) ON THE OPEN MARKET BETWEEN JUNE 21, 2012 AND FEBRUARY 19, 2013, INCLUSIVE, YOU MAY BE A "CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS.

IF YOU ARE A CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS. HOWEVER, FILING A PROOF OF CLAIM IS NOT A GUARANTEE THAT YOU WILL SHARE IN THE PROCEEDS OF THE SETTLEMENT.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND RELEASE ("PROOF OF CLAIM") AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____ TO STRATEGIC CLAIMS SERVICES, THE SETTLEMENT ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2014 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO THE SETTLEMENT ADMINISTRATOR.

IF YOU ARE A CLASS MEMBER AND DO NOT SUBMIT A PROOF OF CLAIM OR REQUEST FOR EXCLUSION FROM THE CLASS, YOU WILL BE BOUND BY THE TERMS OF ANY ORDER AND JUDGMENT ENTERED IN THE LITIGATION.

IF YOU ARE NOT A MEMBER OF THE CLASS, AS DEFINED IN THE NOTICE, DO NOT SUBMIT A PROOF OF CLAIM.

DEFINITIONS AND RELEASE

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated March 17, 2014.

INSTRUCTIONS FOR COMPLETING THIS FORM

1. How to identify yourself for the form:

You are a beneficial and record acquirer if you:

- Purchased Chanticleer Holdings, Inc. (“Chanticleer” or the “Company”) securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on a national securities exchange or an electronic quotation system between June 21, 2012 and February 19, 2013, inclusive, and
- Held the certificate(s) in your name.

You are the beneficial acquirer and a third party is the record acquirer if:

- The certificate(s) were registered in the name of a third party. A third party could be a nominee or brokerage firm.

Please Note: This Proof of Claim must be filed by the actual beneficial acquirer(s), or the legal representative of such acquirer(s), of Chanticleer securities either (i) pursuant or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.

2. All joint purchasers of Chanticleer securities must complete and sign this Proof of Claim and Release. Executors, administrators, guardians, conservators and trustees must complete and sign this Proof of Claim on behalf of persons represented by them; a copy of proof of their authority must accompany this Proof of Claim, and their titles or capacities must be stated. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

3. Use Part II, entitled “Schedule of Transactions in Chanticleer Securities,” to supply all required information regarding your ownership of and transaction(s) in Chanticleer securities. If you need more space or additional schedules, attach separate sheets with all of the same information. Sign and print or type your name on each additional sheet.

4. List each purchase and sale from June 21, 2012 through and including February 19, 2013, separately and in chronological order, by trade date. Start with the earliest date. You must accurately provide the month, day and year of each transaction you list, along with the quantity and selling price.

5. Any loans of Chanticleer securities to persons engaged in a “short sale” are not considered a sale.

6. You must attach photocopies of documentation for all of your transactions in Chanticleer securities. This includes any of these documents: broker confirmation slips, broker statements or other documentation. Failure to provide this documentation will delay verification of your claim and could result in rejection of your claim. Please do not send original documents. Do not highlight the documents.

7. The Settlement Administrator may request additional information as required to calculate your claim. If the Settlement Administrator cannot perform the calculation accurately or at a reasonable cost to the Class, it may require the production of additional information.

Notice Regarding Electronic Files: Certain claimants with a large number of transactions, such as institutional holders, may ask (or be asked) to submit claim information in an electronic format. The Settlement Administrator will decide when electronic filing of information will be authorized. In these cases, all claimants **must also submit** a manually-signed paper Proof of Claim and Release form, listing

all transactions in Chanticleer securities. Only electronic files authorized by the Settlement Administrator will be considered properly submitted.

CLAIMANT'S STATEMENT

1. I (we) purchased securities in Chanticleer Holdings, Inc. ("Chanticleer" or the "Company") and was (were) damaged thereby. (Do not submit this Proof of Claim if you did not purchase Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive).
2. By submitting this Proof of Claim, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice of Pendency and Settlement of Class Action (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Litigation or anyone excluded from the Class; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Cash Settlement Amount, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration or a copy of the trust documents.)
3. I (we) submit this Proof of Claim and Release under the terms of the Stipulation and Agreement of Settlement ("Settlement Agreement") described in the Notice. I (we) consent to the jurisdiction of the United States District Court for the Southern District of Florida with respect to my (our) claim(s) as a Class Member and for purposes of enforcing the release set forth herein, all questions concerning the validity of this Proof of Claim, and any Judgment which may be entered in the Litigation. I (we) understand and agree that my (our) claim(s) may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Proof of Claim.
4. I (we) have set forth where requested below all relevant information with respect to each purchase of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, and each sale, if any, of such securities. I (we) agree to furnish additional information to the Settlement Administrator to support this claim if requested to do so.
5. I (we) have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, or other documents evidencing each purchase, sale or retention of Chanticleer securities listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Proof of Claim is subject to such verification as the Settlement Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Settlement Administrator may request additional information as required to efficiently and reliably calculate your recognized claim. In some cases, the Settlement Administrator may condition acceptance of the claim based upon the production of additional information, including, where applicable, information concerning transactions in any derivatives securities such as options.)

7. Upon the occurrence of the Court's approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release, remise and discharge by me (us) and my (our) heirs, joint tenants, tenants in common, beneficiaries, executors, administrators, predecessors, successors, attorneys, insurers and assigns (or, if I am (we are) submitting this Proof of Claim on behalf of a corporation, a partnership, estate or one or more other persons, by it, him, her or them, and by its, his, her or their heirs, executors, administrators, predecessors, successors, and assigns) of each of the "Releasee" of all "Released Plaintiffs' Claims," as defined in the Notice.

8. The claimant(s) waive(s) the right to trial by jury, to the extent it exists, and agree(s) to the Court's summary disposition of the determination of the validity or amount of claim made by this Claim Form.

9. I (we) acknowledge that the claimant(s) will be bound by and subject to the terms of any judgment(s) that may be entered in the Litigation.

10. I (we) have not submitted any other claim covering the same acquisition or sales of Chanticleer securities either (i) pursuant or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive. I (we) know of no other Person having done so on my (our) behalf.

11. I (we) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

I. CLAIMANT INFORMATION

Name (First, Middle, Last)		
Company/Trust/Other Entity (If Claimant Is Not an Individual)		
Contact Person (If Claimant Is Not an Individual)		
Account Number (If Claimant Is Not an Individual)		
Address:		
City	State	ZIP
Foreign Provence	Foreign Country	
Day Phone	Evening Phone	
Email		
Social Security Number (for individuals)	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.)
Check One		
_____ Individual _____ Corporation _____ Trust _____ Pension Fund		
_____ Joint Owners _____ IRA _____ Partnership _____		
_____ Estate _____ Other (Please Specify)		

II. SCHEDULE OF TRANSACTIONS IN CHANTICLEER SECURITIES

Opening Holdings:

A. Number of shares of Chanticleer common stock held at the opening of trading on June 21, 2012: _____ (If none, write 0.)

Purchases:

B. Separately list each and every open market purchase or acquisition of Chanticleer common stock (excluding Units in the June 21, 2012 public offering) during the period from June 21, 2012 through February 19, 2013, inclusive, and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Shares Purchased or Acquired	Price Per Share	Total Cost (Excluding Commissions, Taxes, and Fees)

C. Separately list each and every purchase or acquisition of Chanticleer Units consisting of one share of common stock and one warrant of Chanticleer during the period from June 21, 2012 (Public Offering) through August 3, 2012 (the date the Units ceased trading and were separated into one share of common stock and one warrant) and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Units Purchased or Acquired	Price Per Unit	Total Cost (Excluding Commissions, Taxes, and Fees)

D. Separately list each and every purchase or acquisition of Chanticleer warrants from June 21, 2012 through February 19, 2013, inclusive, other than identified above and provide the following information (*must be documented*):

Trade Date (List Chronologically) (Month/Day/Year)	Number of Warrants Purchased or Acquired	Price Per Warrant	Total Cost (Excluding Commissions, Taxes, and Fees)

Sales:

E. Separately list each and every sale of Chanticleer common stock, units and warrants during the period from June 21, 2012 through February 19, 2013, inclusive, and provide the following information (*must be documented*):

Type of Chanticleer Security Sold (Stock and Warrant)	Trade Date (List Chronologically) (Month/Day/Year)	Number of Security Sold	Price Per Security	Amount Received (Excluding Commissions, Taxes, and Fees)

Ending Holdings:

F. State in the box at the right the total number of shares of Chanticleer common stock owned at the close of trading on February 19, 2013, long or short (*must be documented*).

--

G. State in the box at the right the total number of Chanticleer warrants owned at the close of trading on February 19, 2013, long or short (must be documented).

--

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

III. SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals)	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.)

IV. CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g. beneficial purchaser(s), executor, administrator, trustee, etc.)
Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN _____, 2014 AND MUST BE MAILED TO:

**Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063**

A Proof of Claim received by the Settlement Administrator shall be deemed to have been submitted when posted, if a postmark date on or before ____, 2014, is indicated on the envelope and it is mailed First Class, and addressed in accordance with the Proof of Claim instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Settlement Administrator.

You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify the Settlement Administrator of any change of address.

REMINDER CHECKLIST

- Please be sure to sign this Proof of Claim on page ___. If this Proof of Claim is submitted on behalf of joint claimants, then both claimants must sign.
- Please remember to attach supporting documents.
- Do NOT send any stock certificates.
- Keep copies of your Proof of Claim and Release form and copies of all supporting documentation you submit.
- If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt requested.
- Do NOT use highlighter on the Proof of Claim or any supporting documents.
- If you move after submitting this Proof of Claim, please notify the Settlement Administrator of the change in your address.
- **These forms and your supporting documentation must be *postmarked* no later than _____.**

Exhibit B

**UNITED STATE DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 12-cv-81123-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,

Plaintiffs,

v.

CHANTICLEER HOLDINGS, INC., MICHAEL
D. PRUITT, ERIC S. LEDERER, MICHAEL
CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN
CAPITAL, INC., DAWSON JAMES
SECURITIES, INC., CREASON &
ASSOCIATES, P.L.L.C.,

Defendants.

ORDER AND FINAL JUDGMENT

On _____, 2014, a hearing was held before this Court to determine:
(1) whether the terms and conditions of the Stipulation and Agreement of Settlement (the
“Settlement Agreement”) are fair, adequate and reasonable for the settlement of all
claims asserted by the Class against the Defendants in the Complaint now pending in this
Court under the above caption, including the release of the Defendants and the Releasees
as defined in the Settlement Agreement and should be approved; (2) whether the
Settlement Class should be certified pursuant to Rule 23 of the Federal Rules of Civil
Procedure; (3) whether judgment should be entered dismissing the Complaint on the
merits and with prejudice in favor of the Defendants as against all persons or entities who

are members of the Class herein who have not requested exclusion therefrom; (4) whether to approve the Plan of Allocation as a fair and reasonable method to allocate the settlement proceeds among the members of the Class; and (5) whether and in what amount to award counsel for Lead Plaintiffs and the Class fees and reimbursement of expenses.

The Court having considered all matters submitted to it at the hearing and otherwise; and

It appearing that a notice of the Settlement Hearing substantially in the form approved by the Court in the Court's Order of Preliminarily Approving Settlement; Directing Notice to Securities Holders, and Setting Hearing for Final Approval of Settlement ("Preliminary Approval Order") was mailed to all persons and entities reasonably identifiable who purchased Chanticleer securities that is the subject of this Securities Class Action, except those persons and entities excluded from the definition of the Class; and

It appearing that the Summary Notice of Pendency and Settlement of Class Action substantially in the form approved by the Court in the Preliminary Approval Order was published in accordance with the Preliminary Approval Order and the specifications of the Court;

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. For purposes of this Order, all capitalized terms used herein having the meanings as set forth and defined in the Settlement Agreement.

2. The Court has jurisdiction over the subject matter of the Securities Class Action, the Lead Plaintiffs, all other Class Members and the Defendants.

3. The Court hereby finally certifies this action as a class action for purposes of the Settlement, pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure, on behalf of those individuals and entities who purchased or otherwise acquired Chanticleer securities either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive. Excluded from the class are all named defendants and all individuals who were officers and directors of Chanticleer or Creason on or before February 19, 2013, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest. Also excluded from the Class are persons and entities who submitted valid and timely requests for exclusion in accordance with the Notice, who are listed on Schedule 1 hereto.

4. The Court finds and concludes that for settlement purposes the prerequisites to class action certification under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of Lead Plaintiffs are typical of the claims of the Class they seek to represent; (d) Lead Plaintiffs and their counsel have and will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the Class Members predominate over any questions affecting only individual Class Members; and

(f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

5. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, Lead Plaintiffs are adequate class representatives and certifies them as class representatives for the Class. Lead Plaintiff's Counsel previously appointed by the Court is hereby appointed as Lead Counsel for the Class.

6. Pursuant to and in accordance with the requirements of Rule 23, the Settlement as set forth in the Settlement Agreement is approved as fair, reasonable and adequate, and in the best interests of the Class, and the Class Members and the parties are directed to consummate the Settlement Agreement in accordance with its terms and provisions.

7. In accordance with the Settlement Agreement, the Complaint is hereby dismissed with prejudice and without costs against (i) Chanticleer, (ii) the Individual Defendants, (iii) Creason, and (iv) their past or present affiliates, subsidiaries, parents, officers, directors, employees, officials, members, partners, principals, agents, representatives, attorneys (including any and all in-house and outside counsel including, without limitation, Defendants' Counsel), advisors, investment advisors, administrators, auditors (including any and all internal and external auditors), accountants, actuaries, consultants, fiduciaries, representatives, service providers, successors or predecessors,, trustees, the underwriters, insurance carriers, reinsurers, estates, heirs, executors, beneficiaries, trusts, assigns *of any or all* of (i), (ii) and (iii) named above, and any person or entity in which any of the above has a controlling interest.

8. The Court permanently bars and enjoins (i) all Class Members and their heirs, executors, administrators, trustees, predecessors, successors, affiliates, representatives, and assigns – and anyone else purporting to act on behalf of, for the benefit of, or derivatively for any of them – from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefits or other relief from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding (as well as a motion or complaint in intervention in the Securities Class Action if the person or entity filing such motion or complaint in intervention purports to be acting as, on behalf of, for the benefit of, or derivatively for any of the above persons or entities) or order, in any jurisdiction or forum, that is based upon, arises out of, or relates to any Released Plaintiffs' Claim, including any Claim that is based upon, arises out of, or relates to the Securities Class Action, the Offering or the transactions and occurrences referred to in the Complaint, and (ii) all persons and entities from filing, commencing, or prosecuting any other lawsuit as a class action, derivative or other proceeding (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action) on behalf of any Class Member as to the Releasees, if such other lawsuit is based upon, arises out of, or relates to any Released Plaintiffs' Claims, including any Claim that is based upon, arises out of, or relates to the Securities Class Action, the Offering or the transactions and occurrences referred to in the Complaint.

9. In accordance with 15 U.S.C. § 78u-4(f)(7)(A), any and all Claims for contribution arising out of any Released Plaintiffs' Claim (i) by any person or entity

against any of the Releasees and (ii) by any of the Releasees against any person or entity other than as set out in 15 U.S.C. § 78u-4(f)(7)(A)(ii) are hereby permanently barred, extinguished, discharged, satisfied and unenforceable. Any Defendant against whom a judgment is rendered in this Securities Class Action will be entitled (collectively) to a judgment credit pursuant to 15 U.S.C. § 78u-4(f)(7)(B).

10. To effectuate the Settlement, the Court hereby enters the following Complete Bar:

a. Any and all persons and entities are permanently barred, enjoined and restrained from commencing, prosecuting or asserting any Claim against any Releasee arising under any federal, state or foreign statutory or common-law rule, however styled, whether for indemnification or contribution or otherwise denominated, including Claims for breach of contract, breach of fiduciary duty or for misrepresentation, where the Claim is or arises from a Released Plaintiffs' Claim and the alleged injury to such person or entity arises from that person's or entity's alleged liability to the Class or any Class Member, including any Claim in which a person or entity seeks to recover from any of the Releasees (i) any amounts such person or entity has or might become liable to pay to the Class or any Class Member and/or (ii) any costs, expenses, or attorneys' fees from defending any Claim by the Class or any Class Member. All such Claims are hereby extinguished, discharged, satisfied and unenforceable, subject to a hearing to be held by the Court, if necessary. The provisions of this Complete Bar Order are intended to preclude any liability of any of the Releasees to any person or entity for indemnification, contribution or otherwise on any Claim that is or arises from a Released Plaintiffs' Claim

and where the alleged injury to such person or entity arises from that person's or entity's alleged liability to the Class or any Class Member; provided, however, that if the Class or any Class Member obtains any judgment against any such person or entity based upon, arising out of, or relating to any Released Plaintiffs' Claim for which such person or entity and any of the Releasees are found to be jointly liable, that person or entity shall be entitled to a judgment credit equal to an amount that is the greater of (i) an amount that corresponds to such Releasee's or Releasees' percentage of responsibility for the loss to the Class or Class Member or (ii) the Settlement Amount.

b. Each and every Releasee is permanently barred, enjoined and restrained from commencing, prosecuting, or asserting any Claim against any other person or entity (including any other Releasee) arising under any federal, state or foreign statutory or common-law rule, however styled, whether for indemnification or contribution or otherwise denominated, including Claims for breach of contract, breach of fiduciary duty or for misrepresentation, where the Claim is or arises from a Released Plaintiffs' Claim and the alleged injury to such Releasee arises from that Releasee's alleged liability to the Class or any Class Member, including any Claim in which any Releasee seeks to recover from any person or entity (including another Releasee) (i) any amounts any such Releasee has or might become liable to pay to the Class or any Class Member and/or (ii) any costs, expenses or attorneys' fees from defending any Claim by the Class or any Class Member. All such Claims are hereby extinguished, discharged, satisfied and unenforceable.

c. Each and every Releasee is permanently barred, enjoined and restrained from commencing, prosecuting or asserting any Claim against any other person or entity (including any other Releasee) arising under any federal, state or foreign statutory or common-law rule, however styled, whether for indemnification or contribution or otherwise denominated, including Claims for breach of contract, breach of fiduciary duty or for misrepresentation, where the Claim relates in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences or oral or written statements or representations made in connection with, or directly or indirectly relating to (i) the prosecution, defense, or settlement of the Securities Class Action, (ii) the Settlement Agreement, (iii) the Offering, (iv) the Settlement terms and their implementation, (v) the provision of notice in connection with the proposed Settlement, and/or (vi) the resolution of any Claim Forms filed in connection with the Settlement.

d. Notwithstanding anything stated in this Complete Bar Order, if any person or entity (for purposes of this Complete Bar Order, a “petitioner”) commences against any of the Releasees any action either (i) asserting a Claim that is or arises from a Released Plaintiffs’ Claim and where the alleged injury to such person or entity arises from that person’s or entity’s alleged liability to the Class or any Class Member or (ii) seeking contribution or indemnity for any liability or expenses incurred in connection with any such Claim, and if such action or Claim is not barred by a court pursuant to this Complete Bar Order or is otherwise not barred by the Complete Bar Order, neither the Complete Bar Order nor the Settlement Agreement shall bar Claims by that Releasee against (a) such petitioner, (b) any person or entity who is or was controlled by,

controlling or under common control with the petitioner, whose assets or estate are or were controlled, represented, or administered by the petitioner, or as to whose Claims the petitioner has succeeded, and (c) any person or entity that participated with any of the preceding persons or entities described in items (a) and (b) of this subparagraph 14(c) in connection with the assertion of the Claim brought against the Releasee(s); provided, however, that nothing in this Complete Bar Order or the Settlement Agreement shall prevent the Settling Parties from taking such steps as are necessary to enforce the terms of the Settlement Agreement.

e. If any term of the Complete Bar Order entered by the Court is held to be unenforceable after the date of entry, such provision shall be substituted with such other provision as may be necessary to afford all of the Releasees the fullest protection permitted by law from any Claim that is based upon, arises out of, or relates to any Released Plaintiffs' Claim.

f. Notwithstanding the Complete Bar Order or anything else in the Settlement Agreement, nothing shall release, interfere with, limit or bar the assertion by any Releasee of any Claim for insurance coverage under any insurance, reinsurance or indemnity policy that provides coverage respecting the conduct at issue in the Securities Class Action, except as limited by any agreements regarding such insurance.

11. Notwithstanding the Complete Bar Order or anything else herein or in the Settlement Agreement, the Chanticleer Defendants shall not be deemed to have released nor barred from pursuing any claims against Mark Hezlett.

12. Each and every Releasor shall be deemed to have hereby fully, finally and forever released, relinquished, settled and discharged all claims as specified in Paragraph 95 of the Settlement Agreement.

13. Each and every Releasee shall be deemed to have hereby fully, finally and forever released, relinquished, settled and discharged all claims as specified in Paragraph 96 of the Settlement Agreement.

14. Lead Counsel, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, affiliates, assigns and any person or entity claiming by or through any of them, shall be deemed to have hereby fully, finally and forever released, relinquished, settled and discharged all claims as specified in Paragraph 97 of the Settlement Agreement.

15. Neither the Settlement Agreement, nor any of its terms and provisions, nor any of the negotiations or proceedings connected with it, nor any of the documents or statements referred to therein shall be:

a. offered or received against the Defendants as evidence of or construed as or deemed to be evidence of any presumption, concession or admission by any of the Defendants of the truth of any fact alleged by the Lead Plaintiffs or the validity of any claim that has been or could have been or could be asserted in the Securities Class Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Securities Class Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Defendants;

b. offered or received against the Defendants as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Defendant, or against the Lead Plaintiffs or the other members of the Class as evidence of any infirmity in the claims of Lead Plaintiffs and the other members of the Class;

c. offered or received against the Defendants as evidence of a presumption, concession or admission of any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the parties to the Settlement Agreement, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Settlement Agreement;

d. construed against the Defendants or the Lead Plaintiffs and the other members of the Class as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and/or

e. construed as or received in evidence as an admission, concession or presumption against Lead Plaintiffs or the other members of the Class or any of them that any of their claims are without merit or that damages recoverable under the Complaint would not have exceeded the Qualified Settlement Fund.

16. There is no just reason for delay in the entry of this Order and Judgment and immediate entry by the Clerk of the Court is directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

17. The Court hereby finds that the proposed Plan of Allocation is a fair and reasonable method to allocate the settlement proceeds among members of the Class. Lead Counsel and the Settlement Administrator is directed to administer the Settlement Agreement in accordance with its terms and provisions.

18. The finality of this Order and Judgment shall not be affected, in any manner, by rulings that the Court may make on Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses.

19. The Court finds that during the course of this Securities Class Action, the parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

20. Exclusive jurisdiction is hereby retained over the parties and the Class Members for all matters relating to this litigation, including the administration, interpretation, effectuation or enforcement of the Settlement Agreement and this Order and Final Judgment, and including any application for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class.

21. The Court hereby finds that the notice provided to the Class provided the best notice practicable under the circumstances. Said notice provided due and adequate notice of these proceedings and the matters set forth herein, including the Settlement and Plan of Allocation, to all persons entitled to such notice, and said notice fully satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure and the requirements of due process. A full opportunity has been offered to the Class Members to object to the

proposed Settlement and to participate in the hearing thereon. Thus, it is hereby determined that all members of the Class are bound by this Order and Judgment except those persons set forth on Exhibit A to this Order and Judgment.

22. Without further order of the court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

23. The Court shall retain jurisdiction to enforce the Settlement Agreement and this Order and Final Judgment.

ENTERED at Fort Lauderdale, Florida, this _____ day of _____, 2014.

JAMES I. COHN
United States District Judge

Schedule 1

List of Persons and Entities Excluded from the Class in

Howard v. Chanticleer Holdings, Inc., et al.,
Case No. 12-cv-81123-COHN/SELTZER

The following persons and entities, and only the following persons and entities, properly excluded themselves from the Class by the _____, 201_ deadline pursuant to the Court's Order dated _____, 201_:

IN RESPONSE TO THE NOTICE OF PENDENCY OF CLASS ACTION	

Exhibit C

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 12-81123-CIV-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

VS.

CHANTICLEER HOLDINGS, INC., MICHAEL D.
PRUITT, ERIC S. LEDERER, MICHAEL
CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN
CAPITAL, INC., DAWSON JAMES SECURITIES,
INC., CREASON & ASSOCIATES P.L.L.C.

Defendants.

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

If you purchased or otherwise acquired Chanticleer Holdings, Inc. (“Chanticleer” or the “Company”) securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, you could receive a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide eight hundred fifty thousand dollars (\$850,000) (the “Settlement Amount”), plus interest as it accrues, to pay claims of investors who purchased Chanticleer securities either (i) pursuant and/or traceable to the Company’s June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.
- The Settlement represents an average recovery of \$0.23 per share of Chanticleer common stock for the 3,698,896 common shares outstanding as of December 18, 2012. A share may have been traded more than once during the Class Period. This number solely reflects the estimated average recovery per share of Chanticleer common stock. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Chanticleer securities and the total number of claims filed.

- Attorneys for Lead Plaintiff (“Class Counsel”) intend to ask the Court to award them fees of up to one-third of the Settlement Amount and reimbursement of litigation expenses not to exceed twenty seven thousand five hundred (\$27,500). Collectively, the attorneys’ fees and litigation expenses are estimated to average \$0.08 per share of Chanticleer common stock. If approved by the Court, these amounts will be paid from the Qualified Settlement Fund.
- The approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.14 per damaged share of Chanticleer common stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price and the number of Claim Forms filed.
- The Settlement resolves the lawsuit concerning whether Chanticleer, certain of its officers and directors, and Creason & Associates, P.L.L.C (“Creason”), violated the federal securities laws by making misrepresentations or omissions of material fact in the Registration Statement and Prospectus filed in connection with Chanticleer’s June 21, 2012 public offering and whether certain of Chanticleer’s officers and directors were individually liable for the alleged violations as control persons. Defendants Chanticleer, Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, and Keith Johnson (collectively, the “Chanticleer Defendants”), and Creason deny and continue to deny that they have committed any act or omission giving rise to any liability or violation of law, including the United States securities laws, as alleged in the Complaint. Chanticleer Defendants, Creason, and Lead Plaintiffs disagree on liability and damages. Plaintiffs believe that, if they prevailed on all their claims and the Court accepted their theory of damages that they would recover approximately \$0.64 per damaged share of Chanticleer common stock, before deductions for fees and expenses and assuming that the full amount of the judgment was collectable. Chanticleer Defendants and Creason believe that, if this matter is litigated, Plaintiffs are likely to recover nothing.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN _____, 2014	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN _____, 2014	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN _____, 2014	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON _____, 2014	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated March 17, 2014.

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have acquired Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.

2. What is this lawsuit about?

The case is known as Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER, and the Court in charge of the case is the United States District Court for the Southern District of Florida.

Defendants in this case are Chanticleer Defendants, and Creason (collectively, the "Defendants"). Plaintiffs allege that the Defendants violated the federal securities laws by making misrepresentations or omissions of material fact in the Registration Statement and Prospectus filed in connection with Chanticleer's June 21, 2012 public offering. Chanticleer Defendants, Creason and Lead Plaintiffs disagree on liability and damages. Chanticleer Defendants and Creason deny they can be held liable under the federal securities laws. The Settlement resolves all of Plaintiffs' claims in the Litigation.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities that have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiffs and Chanticleer Defendants do not agree regarding the merits of Lead Plaintiffs' allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. The issues on which Lead Plaintiffs, Chanticleer Defendants, and Creason disagree include:

(1) whether Chanticleer Defendants and Creason made materially false and misleading statements or omitted any material facts in the Registration Statement and Prospectus filed in connection with Chanticleer's June 21, 2012 public offering; (2) whether the misstatements and omissions were the cause of the Class Members' alleged damages; and (3) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Lead Plaintiffs or the any of the defendants. Instead, Lead Plaintiffs, Chanticleer Defendants, and Creason have agreed to settle the Class Action. Lead Plaintiffs and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the defendants. Among the reasons that Lead Plaintiffs and Class Counsel believe the Settlement is fair is the fact that there is uncertainty about whether the Chanticleer Defendants may ultimately prove their affirmative defense that the alleged misstatements and omissions did not cause the Class any damages and whether some or all of the Chanticleer Defendants or Creason could prove their due diligence defenses. Additionally, Chanticleer's financial resources are limited.

Because of these reasons, even if Plaintiffs win at trial, and also prevail on any on appeal, Plaintiffs might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, it appears that, even if Plaintiffs' allegations are eventually found to be true, the total amount of damages to which Class Members would be entitled could be substantially reduced as Plaintiffs, Chanticleer Defendants and Creason vastly differed on their view of damages.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Class settlement?

To be a Class Member, you must have purchased Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, and suffered losses in your investment as a result of the decline in the value of Chanticleer securities.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a named defendant, an officer or director of Chanticleer or Creason on or prior to February 19, 2013, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Settlement Administrator, Strategic Claims Services, by phone at (866) 274-4004 or by facsimile at (610) 565-7985, visiting the website www.strategicclaims.net, or filling out and returning the claim form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Net Cash Settlement Amount?

The proposed Settlement calls for Chanticleer Defendants' insurer, on behalf of the Chanticleer Defendants, to make a payment in the amount of eight hundred thirty-seven thousand five hundred dollars (\$837,500) and Creason to make a payment in the amount of twelve thousand five hundred dollars (\$12,500) for a total of eight hundred fifty thousand dollars (\$850,000) (the "Settlement Amount" or "Qualified Settlement Fund"). The Settlement will not become effective unless it is approved by the Court. Subject to the Court's approval, a portion of the Qualified Settlement Fund will be used to pay Lead Counsel's attorneys' fees and reasonable litigation expenses. A portion of the Qualified Settlement Fund will also be used to pay taxes due, if necessary, and any notice and claims administration expenses permitted by the Court. After these deductions from the Qualified Settlement Fund have been made, the amount remaining (the "Net Cash Settlement Amount") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

If you are entitled to a payment, your share of the Net Cash Settlement Amount will depend on (i) the number of valid claim forms that Class Members submit; (ii) the dates you purchased and sold Chanticleer securities; and (iii) the prices of your purchases and sales. By following the Plan of Allocation described below, you can calculate your “Recognized Claim.” The Settlement Administrator will distribute the Net Cash Settlement Amount according to the Plan of Allocation after the deadline for submission of the Claim Forms has passed.

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the parties, or another plan of allocation, without further notice to Settlement Class Members. Any orders regarding a modification of the Plan of Allocation will be posted to the Settlement Administrator’s website, www.strategicclaims.net.

The Net Cash Settlement Amount is based upon each Authorized Claimant’s Recognized Claim. **Please Note:** The Recognized Claim formula, set forth below, is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Cash Settlement Amount will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds remaining in the Net Cash Settlement Amount, each Authorized Claimant will receive an amount equal to the Authorized Claimant’s Recognized Claim. If, however, Net Cash Settlement Amount is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Cash Settlement Amount that each Authorized Claimant’s Recognized Claim bears to the total Recognized Claims of all Authorized Claimants (*i.e.*, “*pro rata* share”). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

If any of the Net Cash Settlement Amount remains by reason of uncashed checks, or otherwise, after the Settlement Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Cash Settlement Amount cash their distribution checks, then any balance remaining in the Net Cash Settlement Amount six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the

cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth in the Notice; (ii) second, to pay any additional Notice and Administrative Expenses incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Cash Settlement Amount and in making this second distribution, if such second distribution is economically feasible. If six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds shall remain in the Net Cash Settlement Amount after the Settlement Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Cash Settlement Amount shall be donated to a non-profit charitable organization(s) selected by Lead Counsel.

THE BASIS FOR CALCULATING YOUR RECOGNIZED CLAIM:

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Cash Settlement Amount based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

- I) Chanticleer common stock purchased between June 21, 2012 and January 16, 2013, inclusive:
 - A. For shares retained at the end of trading on February 19, 2013 the Recognized Claim shall be the lesser of \$1.17 per share; or the difference between the purchase price per share and \$2.16 per share.¹
 - B. If sold on January 17, 2013, the Recognized Claim is the lesser of \$.43 per share; or the difference between the purchase price and sale price per share.
 - C. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$1.04 per share; or the difference between the purchase price and sale price per share.
 - D. If sold on or before January 16, 2013, the Recognized Claim will be zero.

- II) Chanticleer common stock purchased on January 17, 2013:

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." \$2.16 per share is the mean (average) daily closing trading price of Chanticleer's common stock during the 90-day period beginning on February 20, 2013 and ending on May 20, 2013.

- A. For shares retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.74 per share; or the difference between the purchase price per share and \$2.16 per share.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.61 per share; or the difference between the purchase price and sale price per share.
 - C. If sold on January 17, 2013, the Recognized Claim will be zero.
- III) Chanticleer common stock purchased between January 18, 2013 and February 19, 2013, inclusive:
- A. For shares retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.13 per share; or the difference between the purchase price per share and \$2.16 per share.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim will be zero.
- IV) Chanticleer warrants acquired or purchased between June 21, 2012 and January 16, 2013, inclusive:
- A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.46 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.²
 - B. If sold on January 17, 2013, the Recognized Claim is the lesser of \$.25 per warrant; or the difference between the purchase price and sale price per warrant.
 - C. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.31 per warrant; or the difference between the purchase price and sale price per warrant.
 - D. If sold on or before January 16, 2013, the Recognized Claim will be zero.
- V) Chanticleer warrants purchased on January 17, 2013,
- A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.21 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.06 per warrant; or the difference between the purchase price and sale price per warrant.
 - C. If sold on January 17, 2013, the Recognized Claim will be zero.
- VI) Chanticleer warrants purchased between January 18, 2013 and February 19,

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, \$.28 per share is the mean (average) daily closing trading price of Chanticleer's common stock during the 90-day period beginning February 20, 2013 and ending May 20, 2013.

2013, inclusive:

- A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.15 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.
- B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim will be zero.

VII) Chanticleer's Units purchased and traceable to the Offering:

- A. For each Unit sold on or before August 2, 2012³, the Recognized Claim shall be the difference between the purchase price (not to exceed the \$4.50 Offering price per Unit) and sale price per Unit.

For purposes of calculating your Recognized Claim, the date of purchase, acquisition or sale is the "contract" or "trade" date and not the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Chanticleer units, common shares and warrants shall not be deemed a purchase, acquisition or sale of Chanticleer units, common shares and warrants for the calculation of an Authorized Claimant's Recognized Claim.

For purposes of calculating your Recognized Claim, all purchases, acquisitions and sales shall be matched on a First In First Out ("FIFO") basis in chronological order. Therefore, on the Proof of Claim enclosed with this Notice, you must provide all of your purchases and acquisitions of Chanticleer units, common shares and warrants during the time period from June 21, 2012 through and including February 19, 2013.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, Defendants' Counsel, Creason, Creason's Counsel, Lead Plaintiffs, Lead Counsel or the Settlement Administrator or other agent designated by Lead Counsel based on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's Claim Form. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted in connection with the Settlement, or otherwise involved in the administration or taxation of the Qualified Settlement Fund or the Net Cash Settlement Amount shall be released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Cash Settlement Amount, will be barred from making any further claim on the Net Cash Settlement Amount beyond the amount allocated to them as provided in any distribution orders entered by the Court.

³ The Units ceased trading on August 2, 2012 and each Unit was separated into one share of common stock and one warrant commencing on August 3, 2012.

HOW YOU RECEIVE A PAYMENT—SUBMITTING A CLAIM

9. How can I get a payment?

To qualify for a payment, you must send in a form entitled “Proof of Claim and Release” form. This Claim Form accompanies this Notice. You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than _____, 2014, to:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

The Settlement Administrator will process your claim and determine whether you are an “Authorized Claimant.”

10. What am I giving up to get a payment or stay in the Class?

If you are a member of the Class, and do not exclude yourself, you will give up and release any claims you might have against the Defendants relating to the “Released Plaintiffs’ Claims,” as described more fully below. All of the Court’s orders will apply to you and legally bind you. *If you are a Class Member, this will be true even if you do not submit or sign a Claim Form, unless you exclude yourself from the Class (in which case you will not receive any payment).*

If the proposed Settlement is approved, the Court will enter an Order and Final Judgment (the “Judgment”). The Judgment shall release and forever discharge the “Released Plaintiffs’ Claims” with prejudice as to all “Releasees.” Each of the “Releasees” shall release and forever discharge any and all “Released Defendants’ Claims” against Class Members.

“Judgment” means the judgment to be entered by the Court pursuant to the Order Approving Settlement, which shall be substantially in the form set out in Exhibit B to the Securities Class Action Settlement Agreement.

“Released Defendants’ Claims” means each and every Claim that has been, could have been, or could be asserted in the Securities Class Action or in any other proceeding by any Releasee, including any Defendant, or the successors and assigns of any Releasee, against any Lead Plaintiff, any other Class Member, any other Releasee, or their attorneys (including Lead Counsel), including any consultants, experts or other professionals retained by Lead Counsel during the course of this litigation, that arises out of or relates in any way to the institution, prosecution, investigation, defense or settlement of the Securities Class Action, including any or all of the acts, failures to act, omissions, misrepresentations, facts, events, matters, transactions, occurrences, or oral or written statements or representations of Releasees; provided, however, the foregoing shall not include any Claims to enforce this Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement; provided further that released defendants claims shall not include any release or bar order by or from any of the Chanticleer Defendants of any claims against Mark Hezlett, all of which claims are expressly preserved and not released or barred notwithstanding any other provisions of this Securities Class Action Settlement Agreement.

“Released Plaintiffs’ Claims” means any and all claims, debts, demands, actions, causes of action, specialties, covenants, contracts, variances, damages, executions, rights, suits, sums, accounts, reckonings, presentments, extents and any other liabilities, fixed or contingent, matured or not matured, of or by the Class, or any member or representative of the Class, as against the Releasees, including both known claims and Unknown Claims, whether class, representative, derivative, direct or individual in nature, that were asserted, could have been asserted, could in the future be asserted, or are related to the claims that were, could have been, or could in the future be asserted, in the Securities Class Action or in any other action or proceeding, or otherwise, by the Class, or by any member or representative of the Class (including, without limitation, any claims for

alleged violations of federal or state statutory or common law, or any other law, and for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), arising from or relating to the Offering or to the purchase or acquisition of securities of Chanticleer either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive; provided, however, that the term "Released Plaintiffs' Claims" does not include any claims to enforce this Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement.

"Releasee" means each and every one of, and "Releasees" means all of (i) Chanticleer, (ii) the Individual Defendants, (iii) Creason, and (iv) their past or present affiliates, subsidiaries, parents, officers, directors, employees, officials, members, partners, principals, agents, representatives, attorneys (including any and all in-house and outside counsel including, without limitation, Defendants' Counsel), advisors, investment advisors, administrators, auditors (including any and all internal and external auditors), accountants, actuaries, consultants, fiduciaries, representatives, service providers, successors or predecessors, trustees, the underwriters, insurance carriers, reinsurers, estates, heirs, executors, beneficiaries, trusts, assigns of any or all of (i), (ii) and (iii) named above, and any person or entity in which any of the above has a controlling interest.

If you desire, please read the Stipulation and Agreement of Settlement at www.strategicclaims.net (or call for a copy of it) for a fuller explanation of the definition of "Released Plaintiffs' Claims," and the other terms above.

If you do not exclude yourself, you may sign and submit a Claim Form to claim a share in the Net Cash Settlement Amount and this will be the only compensation from the Settlement you will receive for any losses you may have incurred from purchases of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012

public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue the Defendants with respect to the Released Plaintiffs' Claims, then you must take steps to get out of the Settlement. This is called excluding yourself from – or “opting out” of – the Settlement. To exclude yourself from the Settlement, you must mail a letter, first class, postage prepaid, stating you want to be excluded as a Class Member from Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER. You must include your name, address, telephone number, e-mail address and your signature, along with an accurate list of all of your purchases and sales of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, including the dates of each purchase and sale, the number of shares in each transaction and the amounts paid or received in each transaction (excluding commissions, taxes and other charges). You must mail your exclusion request, so that it is **received** no later than twenty one (21) days prior to the Fairness Hearing or ____, 2014, to the Settlement Administrator at the following address:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will not receive a settlement payment, you cannot object to the Settlement and you will not be legally bound by the judgment in this case.

12. If I do not properly exclude myself, can I sue Defendants for the same thing later?

No. Unless you followed the procedure outlined in the Notice, you have given up any right to sue Defendants or the Releasees for the claims that the Settlement resolves. If you have a pending lawsuit against any of the Defendants or any of the Releasees, speak to your lawyer immediately. You must have excluded yourself from the Settlement to continue your own lawsuit against the Defendants or the Releasees.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for The Rosen Law Firm is provided above.

14. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Qualified Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Qualified Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Fairness Hearing to make an award of attorneys' fees in an amount not to exceed one-third of Settlement Amount, and for reimbursement of their already paid or incurred litigation expenses not to exceed twenty seven thousand five hundred dollars (\$27,500). This request is in the range of fees awarded to counsel in other cases of this type. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Qualified Settlement Fund.

If the above amounts for fees and expenses are approved by the Court, the average cost per share of Chanticleer common stock will be \$0.08.

On or before thirty five (35) days before the Fairness Hearing or _____, 2014, the filed copy of Class Counsel’s request for attorneys’ fees and expenses will be made available at the Chanticleer settlement website at www.strategicclaims.net.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I do not like the Settlement or any part of it?

If you are a Class Member, you can tell the Court you do not agree with the Settlement or any part of it, including the proposed Plan of Allocation, or the request for attorneys’ fees and expenses to Class Counsel. You must deliver a letter stating that you object to the Settlement in Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER and must include your name, address, telephone number, e-mail address, signature, a list of your purchases and sales of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, in order to show your membership in the Class, and all of the reasons you object to the Settlement or any part of it or any request for payment. The letter must state the Class Member’s objections, the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court’s attention, and documents sufficient to prove membership in the Class.

Be sure to deliver the letter to the following addresses no later than twenty one (21) days prior to the Fairness Hearing or _____, 2014, and to file the letter with the Court, so the Court will consider your views:

COURT	PLAINTIFFS’ COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of Florida 299 East Broward Boulevard Fort Lauderdale, FL 33301	Laurence Rosen, Esq. Phillip Kim, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016 <i>Counsel for Lead Plaintiff</i>	Stanley H. Wakshlag, Esq. Kenny Nachwalter P.A. 1100 Miami Center 201 South Biscayne Boulevard Miami, FL 33131 <i>Counsel for Chanticleer</i>

		<p><i>Holdings, Inc., Michael Pruitt, Eric Lederer, Paul Moskowitz, Michael Carroll, Keith Johnson</i></p> <p>Mark D. Hunter, Esq. Hunter Taubman Weiss LLP 255 University Drive Coral Gables, FL 33134</p> <p>James D. Sallah Sallah & Cox LLC One Boca Place 2255 Glades Road, Suite 300E Boca Raton, Florida 33431</p> <p><i>Counsel for Creason & Associates, P.L.L.C.</i></p>
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16. What is the difference between objecting and requesting exclusion?

Objecting is telling the Court you do not like something about the Settlement, the proposed Plan of Allocation, or the requests for attorneys’ fees or similar payments.

You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

THE COURT’S FINAL SETTLEMENT HEARING

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on _____, 2014, at __: __.m., at the United States District Court for the Southern District of Florida, Fort Lauderdale Division, 299 E Broward Blvd, Fort Lauderdale, FL 33301.

At this hearing, the Court will consider (i) whether the proposed Settlement should be approved as fair, reasonable and adequate; (ii) whether all settled Claims should be dismissed with prejudice; (iii) whether an order approving the Settlement should be

entered; (iv) whether the allocation of the Qualified Settlement Fund should be approved; (v) whether the Attorneys' Fees and Expenses Application should be approved; and (vi) other matters as the Court may deem appropriate. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses. The Court may adjourn or postpone the date of the hearing without further notice to the Class.

18. Do I have to come to the hearing?

No, although you are welcome to attend at your own expense. If you object to the Settlement in writing, and do so in compliance with the instructions set forth in this Notice, the Court will consider it, and you do not have to come to Court to talk about it. If, however, you, or an attorney you hire at your own cost, intend to appear and speak at the hearing, you must indicate that you will do so in the letter containing your objections or in a separate letter which must be mailed to the same persons by the same postmark deadline as noted in Question No. 15, above. You must indicate who will speak, any witnesses you will question and all evidence you will ask the Court to consider.

IF I DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, if the Settlement is approved, you or anyone acting or purporting to act on your behalf will be permanently and forever enjoined from prosecuting, attempting to prosecute or assisting others in the prosecution of any settled Claims against the Released Parties and/or Releasees.

20. How can I get more information about the Settlement and Class Counsel's request for attorneys' fees and expenses?

This is only a summary of the Settlement and the other matters discussed here. You can get more information about the Settlement by contacting the Settlement Administrator at the addresses and numbers noted above. A copy of the Stipulation and Agreement of

Settlement, which has been filed with the Court, and all related documents can be found on the Settlement Administrator's web site at www.strategicclaims.net.

The papers submitted in support of the Settlement and Class Counsel's request for the Court's approval of an award of fees and expenses, will be made available by thirty four (34) days before the Fairness Hearing or _____, 2014 and posted on www.strategicclaims.net.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you purchased or otherwise acquired Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that within seven (7) days after you receive this Notice, you must either (1) send a copy of this Notice and the Proof of Claim form by first class mail to all such persons or entities or (2) provide a list of the names and addresses of such persons or entities to the Settlement Administrator.

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Settlement Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

In either case, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Settlement Administrator.

DATED: _____, 2014.

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA

Exhibit D

UNITED STATE DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 12-cv-81123-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,

Plaintiffs,

v.

CHANTICLEER HOLDINGS, INC., MICHAEL
D. PRUITT, ERIC S. LEDERER, MICHAEL
CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN
CAPITAL, INC., DAWSON JAMES
SECURITIES, INC., CREASON &
ASSOCIATES, P.L.L.C.,

Defendants.

**PROPOSED ORDER PRELIMINARILY APPROVING SETTLEMENT,
DIRECTING NOTICE TO SECURITIES HOLDERS, AND
SETTING HEARING FOR FINAL APPROVAL OF SETTLEMENT**

WHEREAS, Lead Plaintiff Francis Howard and named plaintiff Ja'Marr Comer (collectively, the "Lead Plaintiffs" or "Plaintiffs"), and Defendants Chanticleer Holdings, Inc., Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz and Keith Johnson (collectively, the "Defendants") and others have entered into a Stipulation and Agreement of Settlement (the "Settlement Agreement") that would settle all claims made in this Securities Class Action, the terms of which are set forth in the Settlement Agreement^{*}; and

^{*} The capitalized terms set forth herein are as defined in the Settlement Agreement.

WHEREAS, Lead Plaintiffs and Defendants have moved, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure for an Order preliminarily approving the Settlement in accordance with the terms of the Settlement Agreement and providing for notice to the class; and

WHEREAS, the Court has read and considered the Settlement Agreement and Exhibits thereto, including the proposed: (1) Notice of Pendency and Proposed Settlement of Class Action (“Notice”); (2) Summary Notice of Pendency and Proposed Settlement of Class Action (the “Publication Notice”); (3) Proof of Claim and Release (“Claim Form”); and (4) the Order and Final Judgment (“Final Judgment”), and has found that substantial and sufficient grounds exist for entering this Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. The Court, for the purposes of this Order, adopts all defined terms set forth in the Settlement Agreement.

2. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure and for the purposes of the Settlement only, the litigation is hereby preliminarily certified as a class action on behalf of all persons who purchased who purchased Chanticleer securities either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer’s June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive. Excluded from the class are all named defendants and all individuals who were officers and directors of Chanticleer or Creason on or before February 19, 2013, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest.

3. The Court finds, preliminarily and for purposes of Settlement only, that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil

Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members of the Class is impracticable; (b) there are questions of law and fact common to each member of the Class; (c) the claims of the Lead Plaintiffs are typical of the claims of the Class they seek to represent; (d) Lead Plaintiffs will fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, preliminarily and for the purposes of settlement only, Plaintiffs Francis Howard and Ja'Marr Comer are certified as the class representatives on behalf of the Class and the Lead Plaintiffs' Counsel previously appointed by the Court is hereby appointed as Lead Counsel for the Class.

5. The Settlement Hearing shall be held before this Court on _____, 2014, at ____:____ .m., at the United States District Court for the Southern District of Florida, Fort Lauderdale Division, 299 E Broward Blvd, Fort Lauderdale, FL 33301, to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Settlement Agreement is fair, reasonable and adequate to the Class and should be approved by the Court; whether to finally certify the Settlement Class; whether a Final Judgment as provided in the Settlement Agreement should be entered herein; whether the proposed Plan of Allocation should be approved; to determine the amount of fees and expenses that should be awarded to Lead Counsel. The Court may adjourn the Settlement Hearing without further notice to Members of the Class.

6. The Court preliminarily approves the Settlement, as embodied in the Settlement Agreement, as being fair, reasonable and adequate as to the members of the Class, subject to further consideration at the Settlement Hearing.

7. The Court approves the form, substance and requirements of the Notice, Publication Notice, and Claim Form, all which are annexed to the Settlement Agreement. The Court finds the proposed notice program comports with Due Process, meets the requirements of Federal Rule of Civil Procedure 23 and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

8. The Court reserves the right to enter its Final Judgment approving the Settlement and dismissing the claims against the Defendants and the other Released Parties with prejudice regardless of whether it has awarded attorneys' fees and litigation expenses.

9. The Court hereby appoints the accounting and claims administration firm Strategic Claims Services as Settlement Administrator to administer the Settlement and disseminate the Notice to the Class.

10. Lead Counsel are authorized allocate up to fifty thousand (\$50,000) of the Qualified Settlement Fund as Notice and Administrative Expenses (as defined and provided for in the Settlement Agreement) to be used for reasonable out-of-pocket costs in connection with providing notice of the Settlement to the Class and for other reasonable out-of-pocket administrative expenses. After the Settlement is Final, additional amounts may be transferred from the Qualified Settlement Fund to pay Notice and Administrative Expenses without further order of the Court in accordance with the Settlement Agreement,.

11. Lead Counsel shall cause the Notice and Claim Form substantially in the forms annexed to the Settlement Agreement as Exhibits A and C, to be mailed, by first class mail,

postage prepaid, within sixteen (16) Business Days of the entry of this Order, to all potential Class Members who can be identified with reasonable effort by Lead Counsel.

12. The parties shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms, and the Defendants shall use reasonable efforts to cause or arrange for Chanticleer's transfer agent to provide to the Settlement Administrator, no later than fifteen (15) Business Days after entry of this Order, records concerning the identity of potential Class Members and their transactions (consisting of shareholder names and addresses). Lead Counsel shall, at least thirty-five (35) days prior to the Fairness Hearing, file with the Court proof of mailing of the Individual Notice and Claim Form.

13. Lead Counsel or their designated agent shall also make reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased Chanticleer common stock during the class period. Such nominee purchasers are directed to mail copies of the Notice and Claim Form to the beneficial owners or to provide the Settlement Administrator with lists of the names and addresses of the beneficial owners within seven (7) days after receipt of the Notice, and the Settlement Administrator is ordered to send the Notice and Claim Form promptly to such beneficial owners. Additional copies of the Notice shall be made available to any record holder requesting same for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed from the Qualified Settlement Fund, upon receipt by the Settlement Administrator of proper documentation, for the reasonable expense of sending the Notice and Claim Form to beneficial owners.

14. Lead Counsel shall cause the Publication Notice to be published electronically on the *GlobeNewswire* within sixteen Business (16) Days after the entry of this Order. Lead Counsel

shall, at least thirty-five (35) days prior to the Settlement Hearing, file with the Court proof of publication of the Publication Notice.

15. Lead Counsel shall cause the Settlement Administrator to post this Order on its website forthwith, along with the Settlement Agreement and the exhibits thereto, within seven (7) days of the entry of this Order.

16. Lead Counsel and the Settlement Administrator and their agents are authorized and directed to prepare any tax returns required to be filed for the Escrow Account and to cause any Taxes due and owing to be paid from the Escrow Account without further Order of the Court.

17. Class Members who wish to participate in the Settlement and receive a distribution from the proceeds of the Net Cash Settlement Amount must complete and submit a properly executed Claim Form in accordance with the instructions contained therein. Each Claim Form must be submitted to the Settlement Administrator, at the Post Office Box indicated in the Notice, postmarked no later than twenty one (21) days prior to the Settlement Hearing. Notwithstanding the foregoing, Lead Counsel may, at its discretion, accept a late Claim Form for processing provided such acceptance does not delay the distribution of the Net Cash Settlement Amount to the Class. In order to be entitled to participate in recovery from the Net Cash Settlement Account, as defined in the Settlement Agreement, in the event the Settlement is effected in accordance with all of the terms and conditions thereof, each Class Member shall take the following action and be subject to the following conditions:

- a. Any Claim Form that is submitted must satisfy the following conditions (i) it must be properly completed, signed and submitted in a timely manner in accordance with the provisions of the Notice and the preceding paragraph; (ii) it must be accompanied by adequate

supporting documentation for the transactions and holdings reported therein, in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transaction information found in a broker confirmation slip, or such other documentation as is deemed adequate by Lead Counsel or the Settlement Administrator; (iii) the Claim Form must be complete and contain no material deletions or modifications of any of the printed matter contained therein; and (iv) it must be signed under penalty of perjury.

- b. A Claim Form received by the Settlement Administrator shall be deemed to have been submitted when posted, if a postmark date on or before twenty one (21) days prior to the Settlement Hearing, is indicated on the envelope and is mailed First Class, and addressed in accordance with the Claim Form instructions. In all other cases, a Claim Form shall be deemed to have been submitted when actually received by the Settlement Administrator.
- c. Once the Settlement Administrator has considered a timely submitted Claim Form, Lead Counsel, through the Settlement Administrator, shall determine, based upon the Plan of Allocation of the Net Cash Settlement Amount, whether such claim is valid, deficient or rejected. For each claim determined to be either deficient or rejected, the Settlement Administrator shall send a deficiency letter or rejection letter as appropriate, describing the basis on which the claim was so

determined. Persons who timely submit a Claim Form that is deficient or otherwise rejected shall be afforded a reasonable time to cure such deficiency if it shall appear that such deficiency may be cured.

- d. As part of the Claim Form, each Class Member shall submit to the jurisdiction of the Court with respect to the claim submitted.

18. Class Members shall be bound by all applicable determinations and judgments in this Securities Class Action, whether favorable or unfavorable, unless such persons request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such exclusion request shall mail the request in written form by first-class mail to the address designated in the Individual Notice, such that it is postmarked at least twenty-one (21) days prior to the Settlement Hearing. Such request for exclusion shall clearly indicate the name, address and telephone number of the person seeking exclusion and that the sender requests to be excluded from the Class in the class action styled *Howard v. Chanticleer Holdings, Inc., et al.*, Case No. 12-cv-81123-COHN/SELTZER (S.D. Fla.), and must be signed by such person. Such persons requesting exclusion are also directed to state the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of Chanticleer securities either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive. Additionally, such persons seeking exclusion must list all sales of Chanticleer after February 19, 2013 if such securities were purchased between June 21, 2012 and February 19, 2013. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

19. Any Class Member that requests to be and is excluded from the Class shall not be entitled to receive any payment out of the Qualified Settlement Fund as described in the Settlement Agreement and Notice.

20. Any Class Member may object to the Settlement by mailing a signed letter to the Court that clearly indicates the Class Member's name, address, telephone number and e-mail address. The letter must state the Class Member's objections, the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention, and documents sufficient to prove membership in the Class. This information should specify all purchases of relevant Chanticleer securities during the Class Period, including the number and price of the shares purchased, the number and price of shares sold during the Class Period, and the date of each such purchase or sale. The Court will consider comments and/or objections to the Settlement, the Plan of Allocation or the award of attorneys' fees and reimbursement of expenses only if such comments or objections and any supporting papers are (i) filed with the Clerk of the United States District Court for the Southern District of Florida, Fort Lauderdale Division, 299 E Broward Blvd, Fort Lauderdale, FL 33301 showing due proof of service upon counsel identified below and (ii) mailed to each of the following counsel, postmarked at least twenty-one (21) calendar days prior to the Settlement Hearing:

Lead Counsel Designee:

Laurence M. Rosen, Esq.
The Rosen Law Firm
275 Madison Avenue, 34th Floor
New York, NY 10016

Defendant Chanticleer's Counsel Designee:

Stanley H. Wakshlag, Esq.
Kenny Nachwalter P.A.

Defendant Creason & Associates Counsel Designee:

Mark D. Hunter
Hunter Taubman Weiss LLP
255 University Drive
Coral Gables, FL 33134

1100 Miami Center
201 South Biscayne Boulevard
Miami, FL 33131

Attendance at the Settlement Hearing is not necessary. Persons wishing to be heard orally at the Settlement Hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's request for attorneys' fees or award to Lead Plaintiffs are required to indicate in their written objection that they intend to appear at the Settlement Hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's application for award of attorneys' fees and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. Any Class Member who does not object in the manner prescribed above shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the Settlement, the Final Judgment to be entered approving the Settlement, the Plan of Allocation or the attorneys' fees and reimbursement of litigation expenses requested.

22. All papers in support of the settlement, the Plan of Allocation, Lead Plaintiffs' application for reimbursement of expenses and the application for attorneys' fees or expenses, shall be filed and served not later than thirty five (35) days prior to the Fairness Hearing. Any papers in further support of the Settlement, the Plan of Allocation and the application for attorneys' fees or expenses, shall be filed and served no later than seven (7) days prior to the Settlement Hearing.

23. The Court expressly reserves the right to adjourn the Settlement Hearing, or any adjournment thereof, without any further notice to Class Members other than an announcement at the Settlement Hearing, or any adjournment thereof, and to approve the Settlement Agreement with modifications approved by the parties to the Settlement Agreement and without further notice to Class Members.

24. Until and unless otherwise ordered by the Court, the Court shall stay all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Settlement Agreement.

25. The Defendants, Defendants' Counsel, and the Releasees shall have no responsibility for the Plan of Allocation or any application for attorneys' fees or reimbursement of litigation expenses submitted by Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

26. Neither the Settlement Agreement, nor any of its respective terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Lead Plaintiffs of any lack of merit to the claims asserted in the Securities Class Action, or by the Defendants of the truth of any of the allegations in the Securities Class Action.

27. The administration of the proposed Settlement and the determination of all disputed questions of law and fact with respect to the validity of any Claim or right of any person to participate in the distribution of the Net Cash Settlement Amount shall be under the authority of this Court.

28. The passage of title and ownership of the Settlement Fund to the Escrow Agent in accordance with the terms and obligations of the Settlement Agreement is approved. No person that is not a Class Member or Lead Counsel shall have any right to any portion of or any rights in

the distribution of the Settlement Fund, unless otherwise ordered by the Court or otherwise provided in the Settlement Agreement.

29. All funds held in the Escrow Account shall be deemed and considered to be in *custodia legis* and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Settlement Agreement and/or further order of the Court.

30. Pending final determination of whether the Settlement should be approved, Lead Plaintiffs and all Class Members, and each of them, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts Released Plaintiffs' Claims against any Releasees.

31. The Court retains exclusive jurisdiction over the Securities Class Action to consider all further matters arising out of or connected with the Settlement.

ENTERED at Fort Lauderdale, Florida, this ____ day of _____, 2014.

JAMES I. COHN
United States District Judge

Exhibit E

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 12-81123-CIV-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

VS.

CHANTICLEER HOLDINGS, INC., MICHAEL D.
PRUITT, ERIC S. LEDERER, MICHAEL
CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN
CAPITAL, INC., DAWSON JAMES SECURITIES,
INC., CREASON & ASSOCIATES P.L.L.C.

Defendants.

**SUMMARY NOTICE OF CLASS
ACTION SETTLEMENT**

**TO: ALL PERSONS WHO PURCHASED CHANTICLEER HOLDINGS, INC.
SECURITIES EITHER (I) PURSUANT AND/OR TRACEABLE TO THE
COMPANY'S JUNE 21, 2012 PUBLIC OFFERING OR (II) ON THE OPEN
MARKET BETWEEN JUNE 21, 2012 AND FEBRUARY 19, 2013, INCLUSIVE.**

**PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED
BY THE SETTLEMENT OF A LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an order of the United States District Court for the Southern District of Florida, that Lead Plaintiffs, Francis Howard Ja'Marr Comer, represented by The Rosen Law Firm, P.A., on behalf of themselves and the Court-certified Class ("Plaintiffs"), have reached a proposed settlement of the above-captioned securities class litigation (the "Litigation"), with defendants

Chanticleer Holdings, Inc. (“Chanticleer”), Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, and Keith Johnson (collectively, the “Chanticleer Defendants”), and Creason & Associates, P.L.L.C. (“Creason”). Under the terms of the Settlement Agreement, Chanticleer Defendants’ insurer shall pay eight hundred thirty seven thousand five hundred dollars (\$837,500) and Creason shall pay twelve thousand five hundred dollars (\$12,500), for a total Settlement Amount of \$850,000.¹ These payments, if approved, will settle Plaintiffs’ claim in this litigation.

A Fairness Hearing will be held on _____, 2014, at __:__ .m., at the United States District Court for the Southern District of Florida, Fort Lauderdale Division, 299 E Broward Blvd, Fort Lauderdale, FL 33301 (the “Settlement Hearing”) for the purpose of determining: (1) whether the proposed Settlement should be approved as fair, reasonable and adequate; (2) whether all settled Claims should be dismissed with prejudice; (3) whether an order approving the Settlement should be entered; (4) whether the allocation of the Qualified Settlement Fund should be approved; (5) whether the Attorneys’ Fees and Expenses Application should be approved; and (6) other matters as the Court may deem appropriate. The Court may change the date of the hearing without providing additional notice to the Settlement Class Members.

If you purchased Chanticleer securities either (i) pursuant or traceable to the Company’s June 21, 2012 public offering or (ii) on the open market between June 21, 2013

¹ All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated March 17, 2014.

and February 19, 2013, inclusive, you may be a member of the Class described above, and your rights may be affected by the Settlement of this Litigation.

If you have not received a detailed Individual Notice and a copy of the Claim Form, you may obtain copies of these documents by contacting the Settlement Administrator at:

Chanticleer Securities Litigation
c/o Strategic Claims Services, Settlement Administrator
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

Or by visiting the Settlement Administrator's website, www.strategicclaims.net.

If you are a Class Member, in order to share in the distribution of the Net Cash Settlement Amount, you must submit a Claim Form *postmarked* no later than _____, 2014, establishing that you are entitled to recovery, in the manner and form explained in the Individual Notice. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will be bound by any judgment or orders entered by the Court in the litigation, whether or not you submit a claim.

If you desire to be excluded from the Settlement Class, you must submit a request for exclusion received no later than _____ (21) days prior to the Fairness Hearing, in the manner and form explained in the Notice. All members of the Settlement Class who do not request exclusion will be bound by any judgment entered in the Litigation.

Any objections to the Settlement, the proposed Plan of Allocation, or Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses must be postmarked mailed to the addresses below by no later than _____ (21) calendar days prior to the Fairness Hearing, and filed with the Court:

COURT	PLAINTIFFS' COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of Florida 299 East Broward Boulevard Fort Lauderdale, FL 33301	Laurence Rosen, Esq. Phillip Kim, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016 <i>Counsel for Lead Plaintiff</i>	Stanley H. Wakshlag, Esq. Kenny Nachwalter P.A. 1100 Miami Center 201 South Biscayne Boulevard Miami, FL 33131 <i>Counsel for Chanticleer Holdings, Inc., Michael Pruitt, Eric Lederer, Paul Moskowitz, Michael Carroll, Keith Johnson</i> Mark D. Hunter, Esq. Hunter Taubman Weiss LLP 255 University Drive Coral Gables, FL 33134 James D. Sallah Sallah & Cox LLC One Boca Place 2255 Glades Road, Suite 300E Boca Raton, Florida 33431 <i>Counsel for Creason & Associates, P.L.L.C.</i>

If you have any questions about the Settlement, you may call or write to the Settlement Administrator at the contact information identified above.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.

DATED: _____

BY ORDER OF THE UNITED STATES
 DISTRICT COURT FOR THE
 SOUTHERN DISTRICT OF FLORIDA