

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

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2000  
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TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE  
EXCHANGE ACT

For the transition period from to

Commission file number 33-20111  
-----

Eat at Joe's Ltd.

(Exact name of small business issuer as specified in its charter)

Delaware

75-2636283

-----  
(State or other jurisdiction  
of incorporation or organization)

(IRS Employer  
Identification No.)

670 White Plains Road, Suite 120, Scarsdale, New York, 10583  
-----

(Address of principal executive offices)

(914) 725-2700

Issuer's telephone number

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes  
of common equity, as of the latest practical date: March 31, 2000 43,578,303  
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Transitional Small Business Disclosure Format (check one).

Yes \_\_\_\_\_ ; No  \_\_\_\_\_

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INDEPENDENT ACCOUNTANT'S REPORT

Eat at Joe's, Ltd.

We have reviewed the accompanying balance sheets of Eat at Joe's, Ltd. as of March 31, 2000, and the related statements of operations, and cash flows for the three month period then ended. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in

accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

Respectfully submitted

/s/ Robison, Hill & Co.  
Certified Public Accountants

Salt Lake City, Utah  
May 4, 2000

EAT AT JOE'S LTD., AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

	March 31, 2000	December 31, 1999
	-----	-----
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	\$ --	\$ --
Receivables .....	2,032	10,439
Inventory .....	35,716	46,050
Prepaid expense .....	79,440	76,442
Deposits .....	1,710	1,710
	-----	-----
<b>Total Current Assets .....</b>	<b>118,898</b>	<b>134,641</b>
	-----	-----
<b>Property and equipment:</b>		
Equipment .....	879,481	879,441
Furniture & Fixtures .....	47,239	47,239
Leasehold improvements .....	2,212,291	2,212,291
	-----	-----
	3,139,011	3,138,971
Less accumulated depreciation .....	(644,336)	(547,669)
	-----	-----
	2,494,675	2,591,302
	-----	-----
<b>Other Assets:</b>		
Investments .....	100,000	100,000
Intangible and other assets net of amortization of \$33,160 and \$28,884, respectively .....	121,707	125,954
	-----	-----
<b>Total Assets .....</b>	<b>\$ 2,835,280</b>	<b>\$ 2,951,897</b>
	=====	=====

EAT AT JOE'S LTD., AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Continued)

	March 31, 2000	December 31, 1999
	-----	-----
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accounts payable and accrued liabilities .....	\$ 742,141	\$ 735,775
Short-term notes payable .....	374,139	342,926
Shareholders loans .....	839,642	724,760
	-----	-----
Total Current Liabilities .....	1,955,922	1,803,461
	-----	-----
Convertible Debentures, Net of Issue Costs .....	1,287,309	1,383,290
	-----	-----
Total Liabilities .....	3,243,231	3,186,751
	-----	-----
<b>STOCKHOLDERS EQUITY</b>		
Preferred stock - \$0.0001 par value. 10,000,000 shares authorized; -0- and 2 shares issued and outstanding .....	--	--
Common Stock - \$0.0001 par value .....	50,000,000	
shares Authorized. 43,578,303 and 41,874,680 issued and outstanding, respectively .....	4,358	4,187
Additional paid-in capital .....	9,773,056	9,619,060
Retained deficit .....	(10,185,365)	(9,858,101)
	-----	-----
Total Stockholders' Equity .....	(407,951)	(234,854)
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY .....</b>	<b>\$ 2,835,280</b>	<b>\$ 2,951,897</b>
	=====	=====

See accompanying notes and accountants' report.

EAT AT JOE'S LTD., AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

For the three months ended  
March 31,

-----	-----
2000	1999
-----	-----

Revenues .....	\$ 532,114	\$ 846,995
Cost of Revenues .....	195,853	258,080
	-----	-----
Gross Margin .....	336,261	588,915
<b>Expenses</b>		
Labor and Related Expenses .....	238,258	374,407
Rent .....	61,710	48,248
Other General and Administrative .....	229,616	126,619
	-----	-----
Income (Loss) Before Depreciation and Amortization .....	(193,323)	(39,641)
Depreciation and Amortization .....	100,913	154,306
	-----	-----
Net Loss from Continuing Operations .....	(294,236)	(114,665)
	-----	-----
Other Income (Expense)		
Interest, Net .....	(32,553)	(53,669)
	-----	-----
Net Loss Before Income Taxes .....	(326,789)	(168,334)
Income Tax Expense (Benefit) .....	475	475
	-----	-----
Net Loss To Common Stockholders .....	\$ (327,264)	\$ (168,809)
	=====	=====
Basic and Diluted Loss Per Common Share .....	\$ (0.01)	\$ (0.01)
	=====	=====
Weighted Average Number of Common Shares .....	42,943,178	18,447,889
	=====	=====

See accompanying notes and accountants' report.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>  
<CAPTION>

	For the three months ended March 31,	
	2000	1999
	-----	-----
Cash Flows From Operating Activities		
<S>	<C>	<C>
Net loss for the period .....	\$ (327,264)	\$ (168,809)
Adjustments to reconcile net loss to net cash Provided by operating activities		
Depreciation and Amortization .....	100,913	154,306
Stock issued for services and expenses .....	29,167	10,000
Decrease (Increase) in Receivables .....	8,407	(6,324)
Decrease (Increase) in inventory .....	10,334	(255,101)
Decrease (Increase) in other assets .....	--	(614,736)
Decrease (Increase) in prepaid expense .....	(2,998)	(7,696)

Increase in accounts payable and accrued liabilities	35,228	163,528
Net Cash Provided by (Used in) Operating Activities .....	(146,213)	(724,832)
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment .....	--	(114,845)
Net Cash Provided by Investing Activities .....	--	(114,845)
<b>Cash Flows From Financing Activities</b>		
Advances from majority stockholders .....	115,000	--
Proceeds from short-term notes payable .....	31,213	895,000
Net Cash Provided by Financing Activities .....	146,213	895,000
Increase (Decrease) in Cash .....	--	55,323
Cash at beginning of period .....	--	133,957
Cash at End of Period .....	\$ --	\$ 189,280

**Supplemental Disclosure of Interest and Income Taxes Paid**

Interest paid during the period .....	\$ --	--
Income taxes paid during the period .....	\$ 700	\$ 2,725

**Supplemental Disclosure of Non-cash Investing and Financing Activities: None**

</TABLE>

See accompanying notes and accountants' report.

**EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of accounting policies for Eat At Joe's, Ltd. And subsidiaries is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

The unaudited financial statements as of March 31, 2000 and for the three months then ended reflect, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to fairly state the financial position and results of operations for the three months. Operating results for interim periods are not necessarily indicative of the results which can be expected for full years.

**Organization and Basis of Presentation**

Eat At Joe's Ltd. (Company) was incorporated on January 6, 1988, under the laws of the State of Delaware, as a wholly-owned subsidiary of Debbie Reynolds Hotel and Casino, Inc. (DRHC) (formerly Halter Venture Corporation or Halter Racing Stables, Inc.) a publicly-owned corporation. DRHC caused the Company to register 1,777,000 shares of its initial 12,450,000 issued and outstanding shares of common stock with the Securities and Exchange Commission on Form S-18. DRHC then distributed the registered shares to DRHC stockholders.

During the period September 30, 1988 to December 31, 1992, the Company remained in the development stage while attempting to enter the mining industry. The Company acquired certain unpatented mining claims and related equipment necessary to mine, extract, process and otherwise explore for kaolin clay, silica, feldspar, precious metals, antimony and other commercial minerals from its majority stockholder and other unrelated third-parties. The Company was unsuccessful in these start-up efforts and all activity was ceased during 1992 as a result of foreclosure on various loans in default and/or the abandonment of all assets.

From 1992 until 1996 the Company has had no operations, assets or liabilities.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Principles of Consolidation

The consolidated financial statements include the accounts of Eat At Joe's, LTD. And its wholly-owned subsidiarys, E.A.J. Holding Corporation, a Delaware corporation ("Holding"), E.A.J. PHL Airport, Inc. a Pennsylvania corporation, Eat At Joe's U. of P., Inc. a Pennsylvania corporation, E.A.J. Cherry Hill, Inc., a New Jersey corporation, Eat At Joe's Harborplace, Inc., a Maryland corporation, Eat At Joe's Neshaminy, Inc. a Pennsylvania corporation, Eat At Joe's Plymouth, Inc., a Pennsylvania corporation, E.A.J. Echelon Mall, Inc., a New Jersey corporation, E.A.J. Gallery, Inc., a Pennsylvania corporation, E.A.J. Moorestown, Inc., a New Jersey corporation, E.A.J. Shoppingtown, Inc., a New York corporation, Eat at Joe's U of P 40th Street, Inc., a Pennsylvania corporation, Eat at Joe's Owings Mills, Inc., a Maryland corporation, and 1337855 Ontario. All significant intercompany accounts and transactions have been eliminated.

Nature of Business

The Company is developing, owns and operates theme restaurants styled in an "American Diner" atmosphere.

Inventories

Inventories consist of food, paper items and related materials and are stated at the lower of cost (first-in, first-out method) or market.

Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No.109 requires recognition of deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax bases of assets and liabilities.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Depreciation

Office furniture, equipment and leasehold improvements, are stated at cost. Depreciation and amortization are computed using the straight-line method

over the estimated economic useful lives of the related assets as follows:

Furniture & Fixtures	5-10 years
Equipment	5- 7 years
Leasehold improvements	8-15 years

Maintenance and repairs are charged to operations; betterments are capitalized. The cost of property sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts, and any resulting gain or loss is credited or charged to income.

#### Amortization

Intangible assets are amortized over useful life of 10 years.

The Company has adopted the Financial Accounting Standards Board SFAS No., 121, "Accounting for the Impairment of Long-lived Assets." SFAS No. 121 addresses the accounting for (i) impairment of long-lived assets, certain identified intangibles and goodwill related to assets to be held and used, and (ii) long-lived assets and certain identifiable intangibles to be disposed of. SFAS No. 121 requires that long-lived assets and certain identifiable intangibles be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the expected future cash flows from the used of the asset and its eventual disposition (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized.

#### Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements. The Company maintains the majority of its cash balances with one financial institution, in the form of demand deposits.

##### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

##### Earnings (Loss) Per Share

Diluted net income per common share was calculated based on an increased number of shares that would be outstanding assuming that the warrants are converted to common shares. The effect of outstanding common stock equivalents are anti-dilutive for 2000 and 1999 and are thus not considered.

The reconciliations of the numerators and denominators of the basic earnings per share computations are as follows:

For the three months ended March 31, 2000

	Income	Shares	Per Share Amount
	(Numerator)	(Denominator)	
Basic EPS			
Net Loss to common shareholders .....	\$ (327,264)	42,943,178	\$ (0.01)

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Earnings (Loss) Per Share (Continued)

	For the three months ended March 31, 1999		
	Income	Shares	Per Share Amount
	(Numerator)	(Denominator)	
Basic EPS			
Net Loss to common shareholders .....	\$ (168,809)	18,447,889	\$ (0.01)

Reclassifications

Certain reclassifications have been made in the 1999 financial statements to conform with the 2000 presentation.

NOTE 2 - SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable consist of loans from unrelated entities as of March 31, 2000 and December 31, 1999. The notes are payable one year from the date of issuance together with interest at 6.50% A.P.R.

NOTE 3 - INCOME TAXES

As of December 31, 1999, the Company had a net operating loss ("NOL") carry forward for income tax reporting purposes of approximately \$8,320,000 available to offset future taxable income. This net operating loss carry forward expires at various dates between December 31, 2003 and 2013. A loss generated in a particular year will expire for federal tax purposes if not utilized within 15 years. Additionally, the Internal Revenue Code contains provisions which could reduce or limit the availability and utilization of these NOLs if certain ownership changes have taken place or will take place. In accordance with SFAS No. 109, a valuation allowance is provided when it is more likely than not that all or some portion of the deferred tax asset will not be realized. Due to the uncertainty with respect to the ultimate realization of the NOLs, the Company established a valuation allowance for the entire net deferred income tax asset of \$2,829,000 as of December 31, 1999. Also consistent with SFAS No. 109, an allocation of the income (provision) benefit has been made to the loss from continuing operations.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)



NOTE 4 - PURCHASE OF SUBSIDIARIES

The Company has entered into a non-binding letter of intent to acquire a 16 unit regional restaurant chain. Either party to the letter may terminate the letter of intent without penalty. The parties have agreed to proceed toward negotiation of a mutually agreeable purchase agreement. No assurances can be given that the purchase of the restaurant chain will be completed.

In March of 1999, 1337855 Ontario, Inc. ("Ontario"), wholly owned subsidiary of the Company entered into a purchase agreement with Koo Koo Roo Canada Limited (Koo Koo Roo) to acquire certain assets and assume certain liabilities of that company. Koo Koo Roo is a California-based casual dining, quick service restaurant chain featuring skinless flame broiled chicken, roasted hand-carved turkey and made-to-order tossed salads and specialty sandwiches. In consideration for its payment of approximately \$375,000, Ontario acquired (1) a 20 year exclusive license agreement in Canada with a 20 year renewal term to operate Koo Koo Roo restaurants; (2) re-negotiated the leases to operate 3 existing Koo Koo Roo locations in Toronto, and (3) satisfied outstanding debt obligations due the second lender to Koo Koo Roo.

NOTE 5 - RENT AND LEASE EXPENSE

The Company occupies various retail restaurant space under operating leases beginning October 1997 and expiring at various dates through 2012.

The minimum future lease payments under these leases for the next five years are:

Year Ended December 31,	Real Property	Equipment
2000	\$ 360,036	\$ --
2001	360,036	--
2002	360,036	--
2003	360,036	--
2004	360,036	--
Thereafter	2,196,492	--
Total minimum future lease payments	\$ 3,996,672	\$ --

The leases generally provides that insurance, maintenance and tax expenses are obligations of the Company. It is expected that in the normal course of business, leases that expire will be renewed or replaced by leases on other properties.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

NOTE 6 - RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2000 and the years 1999 and 1998 the two officers and/or companies controlled by the two officers paid expenses and made advances to the Company. As of March 31, 2000, \$839,642 in advances was due to officers and directors of the Company.

NOTE 7 - CONVERTIBLE PREFERRED STOCK, DEBENTURES, WARRANTS & OPTIONS

Holders of Convertible Preferred Stock received 17,357,061 shares of the Company's Common stock during the three months ended March 31, 2000 and the year 1999 in conversion of 46 shares of Series A, 33 shares of Series B, 14 shares of Series C and 20 Shares of Series D Convertible Preferred Stock.

During the three months ended March 31, 2000 and the year 1999, holders of Convertible debentures received 1,200,320 shares of Common Stock on conversion of debentures.

The following table sets forth the options and warrants outstanding

as of March 31, 2000 and December 31, 1999.

<TABLE>  
<CAPTION>

	March 31, 2000	December 31, 1999
	-----	-----
<S>	<C>	<C>
Options & warrants outstanding, beginning of year ....	1,247,750	1,247,750
Granted .....	--	--
Expired .....	--	--
Exercised .....	--	--
	-----	-----
Options & warrants outstanding, end of year .....	1,247,750	1,247,750
	=====	=====
Exercise price for options & warrants outstanding, end of period .....	\$0.50 to \$1.79	\$0.50 to \$1.79
	=====	=====

</TABLE>

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2000  
(Continued)

NOTE 8 - CONTINGENCIES

Various Rouse Corporation Entities have brought litigation against various Eat At Joe's Entities.

The subject litigation was instituted by Cherry Hill Center, Inc., Echelon Mall Joint Venture, Owings Mills Limited Partnership and Plymouth Meeting Mall, Inc. against Eat At Joe's, Cherry Hill, Inc. t/a Eat At Joe's, E.A.J. Holding Corporation, E.A.J. Echelon Mall, Inc. t/a Eat At Joe's Express, Eat At Joe's Limited, Eat At Joe's Owings Mills, Inc. t/a Eat At Joe's and Eat At Joe's Plymouth Meeting, Inc. t/a Eat At Joe's. Each of the Plaintiffs is the Landlord for the corresponding Eat At Joe's entity, each of which Eat At Joe's Entities are single purpose entities. E.A.J. Holding Corporation was named as a party because it is a Guarantor of the leases. To the best of my knowledge, none of the Eat At Joe's Defendants have any assets or are currently engaged in any actively ongoing business activity. Therefore, any potential judgment against them in the action will be uncollectible.

In response to the Complaint of the Plaintiffs, the Defendants asserted various defenses and Counterclaims against the Plaintiffs and certain additional Rouse-related Third-Party Defendants based upon fraud, consumer fraud, tortuous interference with prospective economic advantage, negligent misrepresentation and breach of the duty of good faith and fair dealing. Eat At Joe's Moorestown, Inc. joined in the case as a Third-Party Plaintiff to assert similar claims against certain of the Rouse-related entities. It is very difficult to predict the outcome of this case. Plaintiffs' claims totaled approximately \$830,000.00 as of the date of the filing of the Complaint. Additionally, Plaintiffs are seeking judgment for additional rent which comes due under the leases between the time of the filing of the Complaint and the entry of the judgment together with their costs and attorney's fees. The Eat At Joe's Defendants and Third-Party Plaintiffs seek damages in the form of recovery of Eat At Joe's improvements to the various leaseholds totaling in excess of \$4,000,000.00.

Counsel is presently attempting to negotiate a settlement of the entire litigation without adverse consequence to Eat At Joe's.

NOTE 9 - RESTAURANT CLOSURES

During 1999, E.A.J. Cherry Hill, Inc., E.A.J. Gallery, Inc., Eat At Joe's Harborplace, Inc., E.A.J. Echelon Mall, Inc., and two of the 1337855 Ontario restaurants were closed and substantially all assets and leasehold improvements abandoned. This abandonment of assets has been reported in the accompanying financial statements as a loss on sale of assets at \$4,359,377 for the year ended December 31, 1999.

Item 2. Management's Discussion and Analysis or Plan of Operation.

General - This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's annual report on Form 10-KSB for the year ended December 31, 1999.

Results of Operations - From March 1, 1990 to December 12, 1995 the Company was an inactive corporation. From December 12, 1995 to November 1997 the Company was a development stage company and had not begun principal operations. During November and December, 1997 two restaurants were opened and began operations. Two restaurants were opened, during May 1998, and three restaurants were opened during third quarter 1998 (1 per month) and one restaurant was opened began operations during October 1998. During March 1999 the Company purchased and began operating three restaurants in Ontario Canada. During second and third quarter of 1999, four U.S. restaurants and two Canadian restaurants were closed and substantially all assets and leasehold improvements abandoned.

After its review of over one year of operating revenues from the four U.S. units, management decided to cease operations and cut any negative cash drain from these units. Also, in contemplating acquisitions, there would be an overlap of use clauses in every center where these units were located. When management carefully reviewed the two Canada locations, although high-profile, the economic costs of occupancy made continuing operations unfeasible without expending additional capital of which management felt would be utilized more prudently within existing already cash-flow positive units. Management believes these closings will strengthen cash flows position after the initial close down costs.

During the three months ended March 31, 2000 the company operated five restaurants. During the three months ended March 31, 1999 the Company operated eight restaurants.

Total Revenues - For the three months ended March 31, 2000 and 1999, the Company had total sales of approximately \$532,000 and \$847,000 respectively.

Costs and Expenses - For the three months ended March 31, 2000 and 1999, the Company had a net loss from operations of approximately \$295,000 and \$115,000 respectively. The net loss for 2000 reflects certain fixed costs spread across fewer revenues due to restaurant closures. The Company expects to be able to reduce these costs and/or increase the amount of revenues to cover costs and expenses in the future.

Other Income (Expense), Net - For the 1ST quartet 2000 and 1999 the Company reported net other expenses in the amount of approximately \$33,000 and \$54,000 . These expenses primarily represent accrued interest on short term notes.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended March 31, 2000 and 1999, the Company used approximately \$146,000 and \$725,000 in cash flow from operating activities.

During the three months ended March 31, 1999 the company paid approximately \$115,000 for property and equipment.

During the three months ended March 31, 2000 and 1999 the Company borrowed approximately \$146,000 and \$895,000, respectively from shareholder advances and short-term notes. The \$895,000 from was converted into Common Stock of the Company during 1999.

The Company expects future development and expansion will be financed through cash flow from operations and other forms of financing such as the sale of additional equity and debt securities, capital leases and other credit facilities. There are no assurances that such financing will be available on terms acceptable or favorable to the Company.

Government Regulations - The Company is subject to all pertinent Federal, State, and Local laws governing its business. Each Eat at Joe's is subject to licensing and regulation by a number of authorities in its State or municipality. These may include health, safety, and fire regulations. The Company's operations are also subject to Federal and State minimum wage laws governing such matters as working conditions, overtime and tip credits.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

Various Rouse Corporation Entities have brought litigation against various Eat At Joe's Entities.

The subject litigation was instituted by Cherry Hill Center, Inc., Echelon Mall Joint Venture, Owings Mills Limited Partnership and Plymouth Meeting Mall, Inc. against Eat At Joe's, Cherry Hill, Inc. t/a Eat At Joe's, E.A.J. Holding Corporation, E.A.J. Echelon Mall, Inc. t/a Eat At Joe's Express, Eat At Joe's Limited, Eat At Joe's Owings Mills, Inc. t/a Eat At Joe's and Eat At Joe's Plymouth Meeting, Inc. t/a Eat At Joe's. Each of the Plaintiffs is the Landlord for the corresponding Eat At Joe's entity, each of which Eat At Joe's Entities are single purpose entities. E.A.J. Holding Corporation was named as a party because it is a Guarantor of the leases. To the best of my knowledge, none of the Eat At Joe's Defendants have any assets or are currently engaged in any actively ongoing business activity. Therefore, any potential judgment against them in the action will be uncollectible.

In response to the Complaint of the Plaintiffs, the Defendants asserted various defenses and Counterclaims against the Plaintiffs and certain additional Rouse-related Third-Party Defendants based upon fraud, consumer fraud, tortuous interference with prospective economic advantage, negligent misrepresentation and breach of the duty of good faith and fair dealing. Eat At Joe's Moorestown, Inc. joined in the case as a Third-Party Plaintiff to assert similar claims against certain of the Rouse-related entities. It is very difficult to predict the outcome of this case. Plaintiffs' claims totaled approximately \$830,000.00 as of the date of the filing of the Complaint. Additionally, Plaintiffs are seeking judgment for additional rent which comes due under the leases between the

time of the filing of the Complaint and the entry of the judgment together with their costs and attorney's fees. The Eat At Joe's Defendants and Third-Party Plaintiffs seek damages in the form of recovery of Eat At Joe's improvements to the various leaseholds totaling in excess of \$4,000,000.00.

Counsel is presently attempting to negotiate a settlement of the entire litigation without adverse consequence to Eat At Joe's.

### Item 2. Changes in Securities

Holders of Convertible Preferred Stock received 1,086,957 shares of the Company's Common stock during the three months ended March 31, 2000 in conversion of Convertible Preferred Stock, as previously reported in Form 10-KSB for December 31, 1999.

During the three months ended March 31, 2000, holders of Convertible debentures received 500,000 shares of Common Stock on conversion of debentures.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Submission of Matters to a Vote of Security Holders.

None

### Item 5. Other Information

None.

### Item 6. Exhibits and Reports on Form 8-K

The Company did not file a report on Form 8-K during 1st quarter 2000.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EAT AT JOE'S LTD.

-----  
(Registrant)

DATE: May 11, 2000  
-----

By: /s/ Joseph Fiore  
-----

Joseph Fiore  
C.E.O., Chairman, Secretary, Director

DATE: May 11, 2000  
-----

By: /s/ Gary Usling  
-----

Gary Usling  
C.F.O., Director

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET OF EAT AT JOE'S LTD. AS OF MARCH 31, 2000 AND THE RELATED STATEMENTS OF OPERATIONS AND CASH FLOWS FOR THE THREE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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