

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: June 30, 2007  
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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  
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(Address of principal executive offices)

(914) 725-2700

Issuer's telephone number

APPLICABLE ONLY TO CORPORATE ISSUERS

As of June 30, 2007, there were 90,577,710 shares of the Registrant's common stock, par value \$0.0001, issued, and 20,000 shares of Series E Convertible preferred stock (convertible to 6,666,667 common shares), par value \$0.0001.

Transitional Small Business Disclosure Format (check one).

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

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	(Unaudited) June 30, 2007	December 31, 2006
	-----	-----
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,216,821	\$ 846,062
Receivables	6,927	2,898
Inventory	6,900	6,900
Prepaid expense	10,055	10,055
Marketable Securities	804,643	234,538
	-----	-----
Total Current Assets	2,045,346	1,100,453
	-----	-----
<b>Property and equipment:</b>		
Equipment	118,503	116,954
Furniture & Fixtures	3,964	3,964
Leasehold improvements	381,133	376,165
	-----	-----
	503,600	497,083
Less accumulated depreciation	(478,785)	(458,770)
	-----	-----
Total Property & Equipment	24,815	38,313
	-----	-----

Other Assets:

Intangible and other assets net of amortization of \$145,012 and \$137,270 for 2007 and 2006, respectively

	9,825	17,567
	-----	-----
Total Other Assets	9,825	17,567
	-----	-----
TOTAL ASSETS	\$ 2,079,986	\$ 1,156,333
	=====	=====

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

<TABLE>  
<CAPTION>

	(Unaudited) June 30, 2007	December 31, 2006
	-----	-----
<S>	<C>	<C>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 181,526	\$ 186,440
Related party accounts payable	1,197,416	1,087,068
Short-term notes payable	277,739	274,585
Related Party Notes Payable	1,325,684	1,051,585
Convertible Debentures	2,043,702	2,043,702
	-----	-----
Total Current Liabilities	5,026,067	4,643,380
	-----	-----
STOCKHOLDERS EQUITY Preferred stock - \$0.0001 par value.		
10,000,000 shares authorized;		
20,000 Series E shares issued and outstanding	2	2
Common Stock - \$0.0001 par value.		
250,000,000 shares authorized;		
90,577,710 issued and outstanding.	9,058	4,505
Additional paid-in capital	13,059,114	12,355,727
Cumulative Translation Adjustment	-	-
Unrealized Losses on available-for-sale securities	(940,485)	(803,850)
Retained deficit	(15,073,770)	(15,043,431)
	-----	-----
Total Stockholders' Equity	(2,946,081)	(3,487,047)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,079,986	\$ 1,156,333
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

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

<TABLE>  
<CAPTION>

	For the three months ended June 30,		For the six months ended June 30,	
	2007	2006	2007	2006
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 379,804	\$ 378,194	\$ 723,412	\$ 679,183
Cost of Revenues	165,217	152,532	313,417	277,620
	-----	-----	-----	-----
Gross Margin	214,587	225,662	409,995	401,563
	-----	-----	-----	-----

<b>Expenses</b>				
Labor and Related Expenses	110,073	100,943	213,810	187,416
Rent	60,873	56,867	105,615	99,270
Depreciation and Amortization	14,049	14,104	27,757	28,208
Other General and Administrative	112,732	113,323	177,423	185,116
<b>Total Operating Expenses</b>	<b>297,727</b>	<b>285,237</b>	<b>524,605</b>	<b>500,010</b>
<b>Net Income (Loss) from Continuing Operations</b>	<b>(83,140)</b>	<b>(59,575)</b>	<b>(114,610)</b>	<b>(98,447)</b>
<b>Other Income (Expense)</b>				
Interest income	9,051	4,325	17,306	7,697
Dividend income	166	798	245	2,238
Interest expense	(14,886)	(16,730)	(27,752)	(35,019)
Gain (Loss) on sale of Marketable Securities	62,379	1,821	94,472	17,272
<b>Net Other Income (Expense)</b>	<b>56,710</b>	<b>(9,786)</b>	<b>84,271</b>	<b>(7,812)</b>
<b>Net Loss Before Income Taxes</b>	<b>\$ (26,430)</b>	<b>\$ (69,361)</b>	<b>\$ (30,339)</b>	<b>\$ (106,259)</b>
<b>Income Tax (Expense) Benefit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Loss</b>	<b>\$ (26,430)</b>	<b>\$ (69,361)</b>	<b>\$ (30,339)</b>	<b>\$ (106,259)</b>
<b>Basic Loss Per Common Share:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Weighted Average Common Shares</b>	<b>67,813,005</b>	<b>48,048,299</b>	<b>56,367,766</b>	<b>45,048,299</b>

</TABLE>

The accompanying notes are an integral part of these financial statements.

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**EAT AT JOE'S LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

<TABLE>

<CAPTION>

	For the six months ended	
	2007	June 30, 2006
<S>	<C>	<C>
<b>Cash Flows From Operating Activities</b>		
Net loss for the period	\$ (30,339)	\$ (106,259)
<b>Adjustments to reconcile net loss to net cash</b>		
Provided by operating activities		
Depreciation and amortization	27,757	28,208
(Gain) Loss on sale of marketable securities	(94,472)	(17,272)
Increase in deposits	-	(2,400)
Decrease (Increase) in receivables	(4,029)	(2,280)
Decrease (Increase) in prepaid expense		(10,140)
Increase in accrued interest payable	27,752	35,019
Decrease in accounts payable and accrued liabilities	(4,914)	(8,942)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(78,245)</b>	<b>(84,066)</b>
<b>Cash Flows From Investing Activities</b>		
Payments for purchases of marketable securities	(207,085)	(187,182)
Proceeds from sale of marketable securities	623,106	770,437
Purchase of property and equipment	(6,517)	0
<b>Net Cash Provided by Investing Activities</b>	<b>409,504</b>	<b>583,255</b>
<b>Cash Flows From Financing Activities</b>		
Advances from majority stockholders	39,500	43,500
Repayment of Shareholder Advances	-	(500,000)
Repayment of notes payable	-	-
<b>Net Cash Provided by Financing Activities</b>	<b>39,500</b>	<b>(456,500)</b>

Increase (Decrease) in Cash	370,759	42,689
Cash at beginning of period	846,062	780,751
	-----	-----
Cash at End of Period	\$ 1,216,821	\$ 823,440
	=====	=====
Supplemental Disclosure of Interest and Income Taxes Paid		
Interest paid during the period	\$ -	\$ -
	=====	=====
Income taxes paid during the period	\$ 3,079	\$ 1,546
	=====	=====
Supplemental Disclosure of Non-cash Investing and Financing Activities:		
Marketable Securities acquired through related party notes	\$ 210,000	\$ -
Marketable Securities acquired through related party payables	\$ 100,000	\$ 29,600
Marketable Securities acquired through contributed capital	\$ 25,000	\$ 7,400
Common Stock issued for related party payables	\$ 682,941	\$ -

</TABLE>

The accompanying notes are an integral part of these financial statements.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006

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 June 30, 2007 and for the six 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 six months. Operating results for interim periods are not necessarily indicative of the results which can be expected for full years.

Organization

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 had no operations, assets or liabilities.

On July 29, 2003, the Board of Directors Resolved to change the authorized capital stock from 50,000,000 common shares to 250,000,000 common shares. There was no change to the par value.

Basis of Presentation

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustment relating to recoverability and classification of recorded amounts of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Basis of Presentation (continued)

The Company has incurred a net loss for the six months ended June 30, 2007 and 2006 of \$30,339 and \$106,259 respectively, and as of June 30, 2007 had a working capital deficit of \$2,980,721. These conditions raise substantial doubt as to the Company's ability to continue as a going concern.

The Company's continued existence is dependent upon its ability to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include opening one new restaurants during the next twelve months and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

#### Nature of Business

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

#### Principles of Consolidation

The consolidated financial statements include the accounts of Eat At Joe's, LTD. And its wholly-owned subsidiaries, E.A.J. Hold, Inc., a Nevada corporation ("Hold"), E.A.J. PHL Airport, Inc., a Pennsylvania corporation, E.A.J. Shoppes, Inc., a Nevada corporation, E.A.J. Cherry Hill, Inc., a Nevada corporation, E.A.J. Neshaminy, Inc., a Nevada corporation, E.A.J. PM, Inc., a Nevada corporation, E.A.J. Echelon, Inc., a Nevada corporation, E.A.J. Market East, Inc., a Nevada corporation, E.A.J. MO, Inc., a Nevada corporation, E.A.J. Syracuse, Inc., a Nevada corporation, E.A.J. Walnut Street, Inc., a Nevada corporation, E.A.J. Owings, Inc., a Nevada corporation, and 1398926 Ontario, Inc. and 1337855 Ontario, Inc., British Columbia corporations. All significant intercompany accounts and transactions have been eliminated.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

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

##### 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.

##### Revenue Recognition

The Company generates revenue from the sale of food and beverage through its restaurants. Revenue is recognized upon receipt of payment.

##### 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.

##### 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.

##### 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

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.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

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

Amortization

Intangible assets consist of a trademark registered with the United States of America Patent and Trademark Office with a registration No. 1575696. Intangible assets are amortized over their estimated useful life of 10 years.

The Company has adopted the Financial Accounting Standards Board SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS 142 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill for impairment at least annually. In addition, SFAS 142 requires that the Company identify reporting units for the purposes of assessing potential future impairments of goodwill, reassess the useful lives of other existing recognized intangible assets, and cease amortization of intangible assets with an indefinite useful life. An intangible asset with an indefinite useful life should be tested for impairment in accordance with the guidance in SFAS 142.

The Company has adopted Financial Accounting Standards Board Statement No. 144. SFAS 144 requires that long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

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

Recent Accounting Standards

In September 2006, the FASB issued SFAS No. 157, "Accounting for Fair Value Measurements." SFAS No. 157 defines fair value, and establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for the Company for financial statements issued subsequent to November 15, 2007. The Company does not expect the new standard to have any material impact on the financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 provides companies with an option to report selected financial assets and liabilities at

fair value. The objective of SFAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. The FASB has indicated it believes that SFAS 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in SFAS 157 and SFAS No. 107, "Disclosures about Fair Value of Financial Instruments." SFAS 159 is effective for the Company as of the beginning of fiscal year 2008. The adoption of this pronouncement is not expected to have an impact on the Company's financial position, results of operations or cash flows.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

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

Earnings (Loss) Per Share

Basic loss per share has been computed by dividing the loss for the year applicable to the common stockholders by the weighted average number of common shares outstanding during the years.

Diluted net income per common share was calculated based on an increased number of shares that would be outstanding assuming that the preferred shares were converted to 6,666,667 and 6,666,667 common shares as of June 30, 2007 and 2006, respectively. The effect of outstanding common stock equivalents are anti-dilutive for 2007 and 2006 and are thus not considered.

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.

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.

Reclassifications

Certain reclassifications have been made in the 2006 financial statements to conform with the 2007 presentation.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including receivables and accounts payable and accrued liabilities at June 30, 2007 and December 31, 2006 approximates their fair values due to the short-term nature of these financial instruments. The carrying values of marketable securities available for sale are based on quoted market prices.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

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

Investment in Marketable Securities

The Company's securities investments that are bought and held for an indefinite period of time are classified as available-for-sale securities. Available-for-sale securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period excluded from earnings and recorded net of tax as a component of other comprehensive income.

Investments in securities are summarized as follows:

<TABLE>  
<CAPTION>

December 31, 2006

	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
<S>	<C>	<C>	<C>
Available-for-sale securities	\$ -	\$ 539,161	\$ 234,538

June 30, 2007

	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Available-for-sale securities	\$ 206,850	\$ 1,255,735	\$ 804,643

</TABLE>

Realized Gains and losses are determined on the basis of specific identification. During the six months ended June 30, 2007 and 2006, sales proceeds and gross realized gains and losses on securities classified as available-for-sale securities were:

	For the Six Months Ended June 30,	
	2007	2006
Sale Proceeds	\$ 623,106	\$ 770,437
Gross Realized Losses	\$ 4,921	\$ 10,475
Gross Realized Gains	\$ 99,393	\$ 27,747

EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

NOTE 2 - SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable consist of loans from unrelated entities as of June 30, 2007 and December 31, 2006. 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, 2006, the Company had a net operating loss carryforward for income tax reporting purposes of approximately \$6,600,070 that may be offset against future taxable income through 2026. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carryforwards will expire unused. Accordingly, the potential tax



benefits of the loss carryforwards are offset by a valuation allowance of the same amount.

The Company has the following tax assets:

	December 31, 2006	December 31, 2005
Net Operating Losses	\$ 2,244,024	\$ 2,373,943
Other	107,805	95,864
Valuation Allowance	(2,351,829)	(2,469,807)
	\$ -	\$ -

The provision for income taxes differs from the amount computed using the federal US statutory income tax rate as follows:

	December 31, 2006	December 31, 2005
Provision (Benefit) at US Statutory Rate	\$ (158,305)	\$ (145,639)
Net Operating Losses	210,094	318,887
Other	66,189	132,284
Increase (Decrease) in Valuation Allowance	(117,978)	(305,532)
	\$ -	\$ -

The Company evaluates its valuation allowance requirements based on projected future operations. When circumstances change and causes a change in management's judgement about the recoverability of deferred tax assets, the impact of the change on the valuation is reflected in current income.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

NOTE 4 - RELATED PARTY TRANSACTIONS

During 2007 and 2006, Joseph Fiore, C.E.O. of the Company, and Berkshire Capital, which is controlled by Mr. Fiore, paid expenses and made advances to the Company. All expenses paid on behalf of the company have been recorded in the consolidated statements of operations for period paid. As of June 30, 2007 and December 31, 2006, \$1,325,684 and \$1,051,585 (including accrued interest at 6%) in advances was due to these related parties.

On August 8, 2003, the Board resolved to enter into an agreement with Berkshire Capital Management Co., Inc., a related party, for the purpose of utilizing the Company's tax loss carry forward to sell Berkshire's acquired free trading stock in other public companies. During the six months ended June 30, 2007 and the year ended December 31, 2006, the Company acquired marketable securities from a related party pursuant to a joint venture agreement. In accordance with the agreement the Company acquired marketable securities valued at \$125,000 and \$37,000, respectively, (based on quoted market prices) in exchange for accounts payable of \$100,000 and \$29,600, respectively, with the remainder being reported as contributed capital of \$25,000 and \$7,400, respectively. During the six months ended June 30, 2007 and 2006, the Company has sold marketable securities for \$623,106 and \$770,437, respectively, and recorded a net gain on sale of \$94,472 and \$17,272 for 2006. As of June 30, 2007 and December 31, 2006, the remaining securities are recorded in the accompanying Balance Sheets at their quoted market value of \$804,643 and \$234,538, respectively. As of June 30, 2007 and December 31, 2006, related party accounts payable include \$1,197,416 and \$1,087,068, respectively, due to Berkshire Capital.

On August 8, 2003, the Board of Directors resolved to issue 20,000 shares of Series E Convertible Preferred Stock with a par value of \$0.0001 per share to Joseph Fiore as payment for a \$100,000 advance to the company.

On September 1, 2003, the Board resolved to enter into an agreement with Berkshire Capital Management Co., Inc., a related party, for the purpose of locating merger candidates for twelve of the Company's wholly owned subsidiaries. Pursuant to which, on October 23, 2003, The Company entered into a Purchase Agreement with Offshore Creations, Inc. (A Nevada corporation) to sell the Company's wholly owned subsidiary E.A.J. Innerharbor. The Company received 1,200,000 (approximately 3%) of restricted stock of the corporation surviving the merger of Offshore Creations, Inc. and E.A.J. Innerharbor, Inc. This transaction was accounted for by recording a \$1,200 investment in marketable securities and a corresponding gain on sale of \$1,200. No additional subsidiaries have been sold. During the quarter ending March 31, 2007 Offshore Creations, Inc. Changed its name to Sustainable Power Corp.

On May 16, 2007, the Company acquired 3,000,000 shares of Sustainable

Power Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$210,000, carrying an interest rate of 6% A.P.R.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

NOTE 4 - RELATED PARTY TRANSACTIONS (Continued)

On May 16, 2007, 45,529,411 restricted shares of Eat at Joe's, LTD were issued by the Board of Directors to Berkshire Capital Management Co, Inc at \$0.015 per share in satisfaction of \$682,941.00 in related party accounts payable due to Berkshire Capital Management.

NOTE 5 - RENT AND LEASE EXPENSE

The Company's wholly-owned subsidiary E.A.J. PHL Airport, Inc. leases approximately 845 square feet in the Philadelphia Airport, Philadelphia, Pennsylvania pursuant to a lease dated April 30, 1997. E.A.J. PHL Airport pays \$7,083 per month basic rent plus 15% -18% of gross revenues above \$850,000 under the lease which expires April 2007.

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

Year Ended December 31,	Real Property
2007	\$ 28,332
2008	-
2009	-
2010	-
2011	-
Total five year minimum lease payments	\$ 28,332

The lease 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.

NOTE 6 - CONVERTIBLE DEBENTURES

On July 31, and September 2, 1998, the Company sold its 8% convertible debenture in the aggregate principal amount of \$1,500,000 to an accredited investor pursuant to an exemption from registration under Section 4(2) and/or Regulation D.

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EAT AT JOE'S LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2007 AND 2006  
(Continued)

NOTE 6 - CONVERTIBLE DEBENTURES (Continued)

The material terms of the Company' convertible debentures provide for the payment of interest at 8% per annum payable quarterly, mandatory redemption after 3 years from the date of issuance at 130% of the principal amount. Subject to adjustment, the debentures are convertible into Common Stock at the lower of a fixed conversion price (\$1.82 per share for \$900,000 principal amount of debentures; \$1.61 per share for \$600,000 principal amount of debentures) or 75% of the average closing bid price for the Company's Common Stock for the 5 trading days preceding the date of the conversion notice. Repayment of the indebtedness is secured by a general lien on the assets of the Company and guarantee by 5 of the Company's subsidiaries.

Total issue costs were \$156,551.20 which were amortized over the initial terms of the debt with a maturity date of July 31 and September 2, 2001.

NOTE 7 - CONVERTIBLE PREFERRED STOCK

The Series E Convertible Preferred Stock carries the following rights and preferences;

- \* No dividends.
- \* Convertible to common stock at the average closing bid price for the Company's common stock for the 5 trading days prior to the conversion date, and is adjustable to prevent dilution. (Convertible to 6,666,667 common shares at June 30, 2007)
- \* Convertible at the Option of the Company at par value only after repayment of the shareholder loans from Joseph Fiore and subject to the holders option to convert.
- \* Entitled to vote 1,000 votes per share of Series E Convertible Preferred Shares.
- \* Entitled to liquidation preference at par value.
- \* Is senior to all other share of preferred or common shares issued past, present and future.

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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, 2006.

PLAN OF OPERATIONS - Eat at Joe's Ltd. Intends to open and operate theme restaurants styled in an "American Diner" atmosphere where families can eat wholesome, home cooked food in a safe friendly atmosphere. Eat at Joe's, the classic American grill, is a restaurant concept that takes you back to eating in the era when favorite old rockers were playing on chrome-spangled jukeboxes and neon signs reflected on shiny tabletops of the 1950's. Eat at Joe's fulfills the diner dream with homey ambiance that's affordable while providing food whose quality and variety is such you can eat there over and over, meal after meal. To build on the diner experience, a retail section in each Eat at Joe's would allow customers to take the good feelings home with them, in the form of 50's memorabilia.

The Company's expansion strategy is to open restaurants either through Joint Venture agreements or Company owned units. Units may consist of a combination of full service restaurants or food court locations. Restaurant construction will take from 90-150 days to complete on a leased site.

In considering site locations, the Company concentrates on trade demographics, such as traffic volume, accessibility and visibility. High Visibility Malls and Strip Malls in densely populated suburbs are the preferred locations. The Company also scrutinizes the potential competition and the profitability of national restaurant chains in the target market area. As part of the expansion program, the Company will inspect and approve each site before approval of any joint venture or partnership.

A typical food court unit is approximately 500 square feet, whereas for a full service operation it is approximately 3,500 square feet. Food court operation consists of a limited menu. A full service restaurant consists of 30-35 tables seating about 140-150 people. The bar area will hold 6-8 tables and seats 30-35 people.

The restaurant industry is an intensely competitive one, where price, service, location, and food quality are critical factors. The Company has many established competitors, ranging from similar casual-style chains to local single unit operations. Some of these competitors have substantially greater financial resources and may be established or indeed become established in areas where the Eat at Joe's Company operates. The restaurant industry may be affected by changes in customer tastes, economic, demographic trends, and traffic patterns. Factors such as inflation, increased supplies costs and the availability of suitable employees may adversely affect the restaurant industry in general and the Eat at Joe's Company Restaurant in particular. Significant numbers of the Eat at Joe's personnel are paid at rates related to the federal minimum wage and accordingly, any changes in this would affect the Company's labor costs.

Over the next twelve months, the company will maintain operations as they currently exist. We do not anticipate the hiring of new full-time employees or the need for additional funds to satisfy cash requirements. Expansion within the current location is not viable, however management may

seek to make acquisitions of established businesses, or, if a desirable location becomes available, we may elect to expand the concept. Locations would be sought in heavily trafficked areas, such as within an airport, train station, etc. We have not found any such location as of the date of this filing and no agreements are in place.

**RESULTS OF OPERATIONS** - For the six months ended June 30, 2007 and 2006, the Company had a net loss from operations of approximately \$30,339 and \$106,259 respectively.

**Total Revenues** - For the three months ended June 30, 2007 and 2006, the Company had total sales of approximately \$380,000 and \$378,000 respectively, for an increase of approximately \$2,000. For the six months ended June 30, 2007 and 2006, the Company had total sales of approximately \$723,000 and \$679,000 respectively, for an increase of approximately \$44,000. Management believes that revenues will grow in the future as airport traffic increases.

**Costs and Expenses** - Costs of revenues, which include the costs of food, beverage, and kitchen supplies increased as a percentage of sales by approximately 4% and 2% for the three and six months ended June 30, 2007 over 2006. This increase can be attributed to many factors, including, but not limited to increased food costs due to the addition of fuel surcharges on the delivery of goods, increased produce costs caused by weather conditions causing the loss of crops, dairy prices have increased 30-50% due to butterfat differentials and supply shortages, and other food items due to various conditions outside the control of the Company. The cost of labor, rent and other general and administrative costs, increased 3% as a percentage of sales for the three months ended June 30, 2007 compared to the three months ended June 30, 2006, and remained the same as a percentage of sales for the six months ended June 30, 2007 over 2006. Depreciation and amortization expense decreased by approximately \$55 and \$451 for the three and six months ended June 30, 2006 to 2007 due to certain fixed assets reaching the end of their estimated depreciable lives. Management expects depreciation and amortization to decline until the Company can carry out its expansion plans. Depreciation expense will increase as these plans are completed and as new assets are acquired.

#### **LIQUIDITY AND CAPITAL RESOURCES**

As of June 30, 2007, the Company has a working capital deficit of approximately \$2,980,721. The Company's continued existence is dependent upon its ability to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

Management plans include searching for and opening new restaurants in the future and obtaining additional financing to fund payment of obligations and to provide working capital for operations and to finance future growth. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have committed to meeting its operating expenses. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and realize other assets. There is no assurance any of these transactions will occur.

The Company has met its capital requirements through the sale of its Common Stock, Convertible Preferred Stock, Convertible Debentures and Notes Payable.

Since the Company's re-activation in January, 1997, the Company's principal capital requirements have been the funding of (i) the development of the Company and its 1950's diner style concept, (ii) the construction of its existing units and the acquisition of the furniture, fixtures and equipment therein and (iii) towards the development of additional units.

During 2007 and 2006, the Company generated approximately \$416,000 and \$583,000 respectively, cash from investing activities from the sale of marketable equity securities. As of June 30, 2007, the company owns marketable securities valued at \$804,643 with corresponding liabilities of \$1,197,416.

The Company has raised approximately \$39,500 and \$43,500 during 2007 and 2006 through short-term notes payable and advances from Majority stockholders. The net proceeds to the Company were used for working capital.

During 2006, the Company repaid \$500,000 of short-term notes payable and advances from majority stockholders.

For the six months ended June 30, 2007 and 2006, operating activities used approximately \$78,000 and \$84,000 in cash .

After the completion of its expansion plans, 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.

**CRITICAL ACCOUNTING POLICIES** -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Note 1 to the Consolidated Financial Statements describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. Estimates are used for, but not limited to, contingencies and taxes. Actual results could differ materially from those estimates. The following critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of the Consolidated Financial Statements.

We are subject to various loss contingencies arising in the ordinary course of business. We consider

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the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss in determining loss contingencies. An estimated loss contingency is accrued when management concludes that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted.

We recognize deferred tax assets (future tax benefits) and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of assets and liabilities. The deferred tax assets and liabilities represent the expected future tax return consequences of those differences, which are expected to be either deductible or taxable when the assets and liabilities are recovered or settled. Future tax benefits have been fully offset by a 100% valuation allowance as management is unable to determine that it is more likely than not that this deferred tax asset will be realized.

**RECENTLY ENACTED AND PROPOSED REGULATORY CHANGES** - Recently enacted and proposed changes in the laws and regulations affecting public companies, including the provisions of the Sarbanes- Oxley Act of 2002 and rules proposed by the SEC and NASDAQ could cause us to incur increased costs as we evaluate the implications of new rules and respond to new requirements. The new rules could make it more difficult for us to obtain certain types of insurance, including directors and officers liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on the Company's board of directors, or as executive officers. We are presently evaluating and monitoring developments with respect to these new and proposed rules, and we cannot predict or estimate the amount of the additional costs we may incur or the timing of such costs.

In September 2006, the FASB issued SFAS No. 157, "Accounting for Fair Value Measurements." SFAS No. 157 defines fair value, and establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for the Company for financial statements issued subsequent to November 15, 2007. The Company does not expect the new standard to have any material impact on the financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value. The objective of SFAS 159 is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. Generally accepted accounting principles have required different measurement attributes for different assets and liabilities that can create artificial volatility in earnings. The FASB has indicated it believes that SFAS 159 helps to mitigate this type of accounting-induced volatility by enabling companies to report related assets and liabilities at fair value, which would likely reduce the need for companies to comply with detailed rules for hedge accounting. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types

of assets and liabilities. SFAS 159 does not eliminate disclosure requirements included in

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other accounting standards, including requirements for disclosures about fair value measurements included in SFAS 157 and SFAS No. 107, "Disclosures about Fair Value of Financial Instruments." SFAS 159 is effective for the Company as of the beginning of fiscal year 2008. The adoption of this pronouncement is not expected to have an impact on the Company's financial position, results of operations or cash flows.

### ITEM 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures for the Company.

#### (a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon the evaluation, the Company's President concluded that, as of the end of the period, the Company's disclosure controls and procedures were effective in timely alerting him to material information relating to the Company required to be included in the reports that the Company files and submits pursuant to the Exchange Act.

#### (b) Changes in Internal Controls

Based on this evaluation as of June 30, 2007, there were no significant changes in the Company's internal controls over financial reporting or in any other areas that could significantly affect the Company's internal controls subsequent to the date of his most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

None.

### ITEM 2. CHANGES IN SECURITIES

On May 16, 2007, 45,529,411 restricted shares of Eat at Joe's, LTD were issued by the Board of Directors to Berkshire Capital Management Co, Inc at \$0.015 per share in satisfaction of \$682,941.00 in related party accounts payable due to Berkshire Capital Management.

### 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

#### EXHIBITS

The following exhibits are included as part of this report:

Exhibit Number	Title of Document
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The Company did not file a report on Form 8-K during 2nd quarter 2007.

*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: August 14, 2007*  
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*By: /s/ Joseph Fiore*  
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*Joseph Fiore  
C.E.O., C.F.O., Chairman, Secretary, Director  
(Principal Executive & Accounting Officer)*

SECTION 302 CERTIFICATIONS

I, Joseph Fiore, certify that:

1. I have reviewed this quarterly report on form 10-QSB of Eat at Joe's Ltd.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the small business issuer and have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
  - c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an quarterly report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over the financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 14, 2007

/s/ Joseph Fiore  
Joseph Fiore  
CEO, CFO, Chairman, Secretary, Director  
(Principal Executive & Accounting Officer)





CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT BY  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Eat at Joe's, Ltd., on Form 10-QSB for the quarter ending June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "REPORT"), the undersigned, Joseph Fiore, Chief Executive Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

1. The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 14, 2007

/s/ Joseph Fiore  
Joseph Fiore  
CEO, CFO, Chairman, Secretary, Director  
(Principal Executive & Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.