

U.S. 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, 1996

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 (IRS Employer  
of incorporation or organization) Identification No.)

P.O. Box 500, Yonkers, New York, 10704  
(Address of principal executive offices)

(914) 725-2700  
Issuer's telephone number

Morning Star Industries, Inc.  
(Former name, former address and former fiscal year, if changed since  
last report.)

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDING DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required  
to be filed by Section 12, 13 or 15(d) of the Exchange Act after the  
distribution of securities under a plan confirmed by a court. Yes No

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:  
November 14, 1996 6,328,428

Transitional Small Business Disclosure Format (check one).  
Yes ; No x

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

EAT AT JOE'S LTD.  
(FORMERLY MORNING STAR INDUSTRIES, INC.)  
(A Development Stage Company)  
BALANCE SHEETS  
(Unaudited)

	March 31, 1996	December 31, 1995	
<b>Assets:</b>	\$	-	\$ -
<b>Liabilities:</b>			
Accounts Payable	\$	10,000	\$ -
Total Liabilities		10,000	-
<b>Stockholders' Equity:</b>			
Preferred Stock, Par value \$0.0001, Authorized 10,000,000 issued - none			
Common Stock Authorized 50,000,000, Issued 78,428 of \$0.0001 Par Value		8	8
Paid-In Capital	382,868	382,868	
Contributed Capital	672,659	672,659	
Earnings (Deficit) Accumulated During the Development Stage		(1,055,535)	(1,055,535)
Total Stockholders' Equity		(10,000)	-
Total Liabilities and Stockholders' Equity	\$	-	\$ -

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

EAT AT JOE'S LTD.  
(FORMERLY MORNING STAR INDUSTRIES, INC.)  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS  
(Unaudited)

	For the Three Months Ended March 31, 1996	1995	Cumulative Since Inception of Development Stage
<b>Revenues:</b>	\$	-	\$ -
<b>Expenses:</b>	10,000	-	(16,244)

Net Income (Loss)			
From Operations	(10,000)	-	(16,244)
Other Income (Expense) Net	-	-	16,851
Income (Loss) From Operations			
Before Income Taxes	(10,000)	-	607
Provision For (Benefit From)			
Income Taxes	-	-	-
Discontinued Operations, Net	-	-	(1,066,142)
Net Loss	\$ (10,000)	\$ -	\$ (1,065,535)
Net Loss Per Common Share	\$ (.13)	\$ -	
Weighted Average Shares			
Outstanding	78,428	78,428	

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

EAT AT JOE'S LTD.  
(FORMERLY MORNING STAR INDUSTRIES, INC.)  
(A Development Stage Company)  
STATEMENTS OF CASH FLOWS  
(Unaudited)

			Cumulative
			Since
			Inception
For the Three Months			of
Ended March 31,			Development
1996	1995		Stage

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss for the period	\$ (10,000)	\$ -	\$ (1,065,535)
Adjustments to Reconcile			
net loss to net cash provided by			
operating activities			
Loss from foreclosure and			
abandonment of assets			
and related liabilities	-	-	568,330
Depreciation	-	-	111,181
Payment of organization costs	-	-	(6,244)
Amortization of organization			
costs	-	-	6,244
Increase in accounts payable	10,000	-	10,000
Decrease in accrued interest			
payable	-	-	8,707
Contributed capital for			
operating costs	-	-	350
Net Cash Used in Operating			
Activities:	-	-	(366,967)
Cash Flows From Investing			

<i>Activities:</i>			
<i>Principal collected on notes receivable</i>	-	-	199,727
<i>Purchase of property and equipment</i>	-	-	(65,661)
<i>Proceeds from sale of property and equipment</i>	-	-	18,369
<i>Net Cash Provided by Investing Activities:</i>	-	-	152,435
<i>Cash Flows From Financing Activities:</i>			
<i>Issuance of common stock</i>	-	-	256,676
<i>Payments on long-term debt</i>	-	-	(36,307)
<i>Advances to (from) majority stockholder</i>	-	-	(5,837)

**EAT AT JOE'S LTD.**  
**(FORMERLY MORNING STAR INDUSTRIES, INC.)**  
**(A Development Stage Company)**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**(Unaudited)**

	<i>for the Three Months Ended March 31,</i>		<i>Cumulative Since Inception of Development Stage</i>
	<i>1996</i>	<i>1995</i>	
<i>Net Cash Used in Financing Activities</i>	\$ -	\$ -	\$214,532
<i>Increase in Cash</i>	-	-	-
<i>Cash at Beginning of Period</i>	-	-	-
<i>Cash at End of Period</i>	\$ -	\$ -	\$ -
<i>Supplemental Disclosure of Interest and Income Taxes Paid</i>			
<i>Interest paid for the period</i>	\$ -	\$ -	\$ 23,547
<i>Income taxes paid for the period</i>	\$ -	\$ -	\$ -
<i>Supplemental Disclosure of Non-cash Investing and Financing Activities</i>			
<i>Contribution of assets and assumption of liabilities, net, from majority stockholder</i>	\$ -	\$ -	\$672,659
<i>Mining equipment acquired with issuance of common stock</i>	\$ -	\$ -	\$251,200

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

EAT AT JOE'S LTD.  
(FORMERLY MORNING STAR INDUSTRIES, INC.)  
(A Development Stage Company)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 1996  
(Unaudited)

1. Interim Reporting

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles and with Form 10-QSB requirements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1996, are not necessarily indicative of the results that may be expected for the year ended December 31, 1996. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 1995.

2. Effective 5/3/96 the Board of Directors approved a 50 to 1 reverse split of the common stock and on October 7, 1996 the Board of Directors approved a 4 to 1 reverse split of the common stock. The financial statements have been retroactively restated to reflect the reverse splits as if they had happened prior to the earliest date presented.

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, 1995.

Results of Operations - From March 1, 1990 to December 12, 1995 the Company was an inactive corporation. On December 12, 1995 the Company was reactivated and for the three months ended March 31, 1996 the Company was a development stage company and has not begun principal operations.

Liquidity and Capital Resources - The Company intends to seek an acquisition of a larger and potentially more profitable business. The Company intends to focus on opportunities to acquire new products or technologies in development as well as those currently being operated, including a complete operating business that has demonstrated long-term growth potential, strong marketing presence, and the basis for continuing profitability. The Company has not identified any specific target or possible acquisition. As the Company pursues its acquisition program, it will incur costs for ongoing general and administrative expenses as well as for identifying, investigating, and negotiating a possible acquisition.

(Continued)

In order to complete any acquisition, the Company may be required to supplement its available cash and other liquid assets with proceeds from borrowings, the sale of additional securities, or other sources. There can be no assurance that any such required additional funding will be available or, if available, that it can be obtained on terms favorable to the Company.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

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 the three months ended March 31, 1996.

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: November 25, 1996

By: /s/  
Joe Fiore  
Chief Executive Officer, & Director  
(Principal financial and  
Accounting Officer)

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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, 1996 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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