

[As adopted in Release No. 34-32231, April 28, 1993, 58 F.R. 26509]

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: September 30, 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 JOE'S LTD.  
(FORMERLY MORNING STAR INDUSTRIES, INC.)

(A Development Stage Company)  
BALANCE SHEETS  
(Unaudited)

	September 30, 1996	December 31, 1995
<b>Assets:</b>	\$ -	\$ -
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
<b>Stockholders' Equity:</b>		
Convertible Preferred Stock, Par value \$0.001, Authorized 10,000,000, Issued - None	-	-
Common Stock Authorized 50,000,000, Issued 328,428 of \$0.0001 Par Value	33	8
Paid-In Capital	392,843	382,868
Contributed Capital	672,659	672,659
Earnings (Deficit) Accumulated During the Development Stage	(1,065,535)	(1,055,535)
Total Stockholders' Equity	-	-
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 September 30,		For the Nine Months Ended September 30,		Cumulative Since Inception of Development Stage
	1996	1995	1996	1995	
<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	\$	-	\$	-	\$ (.05)
					\$ -
Weighted Average					
shares					
outstanding	328,428	78,428	211,212	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)

	For the Nine Months Ended September 30, 1996	1995	Cumulative Since Inception of Development Stage
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss for the period	\$	-	\$ -
			\$ (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	-	-	-
Decrease in accrued interest			
payable	-	-	8,707
Contributed capital for			
operating costs	-	-	350
Net Cash Used in Operating			
Activities:	-	-	(376,967)
Cash Flows From Investing			
Activities:			
Principal collected on notes			
receivable	-	-	199,727

Purchase of property and equipment	-	-	(65,661)
Proceeds from sale of property and equipment	-	-	18,369
Net Cash Provided by Investing Activities:	-	-	152,435
Cash Flows From Financing Activities:			
Issuance of common stock	-	-	266,676
Payments on long-term debt	-	-	(36,307)
Advances to (from) majority stockholder	-	-	(5,837)

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

	For the Nine Months Ended September 30,		Cumulative Since Inception of Development Stage
	1996	1995	
Net Cash Used in Financing Activities:	\$ -	\$ -	\$ 224,532
Increase in Cash	-	-	-
Cash at Beginning of Period	-	-	-
Cash at End of Period	\$ -	\$ -	\$ -
Supplemental Disclosure of Interest and Income Taxes Paid			
Interest paid for the period	\$ -	\$ -	\$ 23,547
Income taxes paid for the period	\$ -	\$ -	\$ -
Supplemental Disclosure of Non-cash Investing and Financing Activities			
Contribution of assets and assumption of liabilities, net, from majority stockholder	\$ -	\$ -	\$ 672,659
Mining equipment acquired with issuance of common stock	\$ -	\$ -	\$ 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 NINE MONTHS ENDED SEPTEMBER 30, 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 nine month period ended September 30, 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. Reverse Stock Splits

Effective May 3, 1996 the Stockholders approved a 50 to 1 reverse split of the common stock and on October 7, 1996 the Stockholders approved a 4 to 1 reverse split of the common stock. The financial statements have been retroactively restated to reflect the reverse stock splits as if they had been effective 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 and nine months ended September 30, 1996 the Company became 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.

In order to complete any acquisition, the Company may be required to supplement its available cash and other liquid assets with proceeds from borrowing, 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.*

*Effective May 3, 1996 approved a 50 to 1 reverse stock split.*

*Effective October 7, 1996 approved a 4 to 1 reverse stock split.*

*On October 5, 1996 elected Joseph Fiore, James Mylock, Jr., and Andrew Cosenza, Jr. new directors to hold office until the next annual meeting.*

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 nine months ended September 30, 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/  
Joseph 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 SEPTEMBER 31, 1996 AND THE RELATED STATEMENTS OF OPERATIONS AND CASH FLOWS FOR THE NINE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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