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May 28, 1998

Securities and Exchange Commission
450 Fifth Street, N. W.
Washington, D.C.
20549

Re: Eat at Joe's, Ltd
File no. 33-20111

Gentlemen:

We are filing herewith a registration statement on Form SB-2 on behalf of our client, Eat at Joe's, Ltd.

We are aware that the audited financial statements contained therein are of a date (December 31, 1997) 135 days prior to the date of this filing. The Company has filed with the Commission Form 10-Q for the quarter ended March 31, 1998.

By amendment, the registration statement will be properly updated to comply with Regulation S-X. Please be advised that the issuer plans no distribution of the prospectus contained in the registration statement in its present form.

Cordially,

BECKMAN, MILLMAN & SANDERS, LLP

by:
James Eisberg

As filed with the Securities and Exchange Commission on May ____, 1998

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

EAT AT JOE'S, LTD
(Name of Small Business Issuer in its Charter)

DELAWARE	5812	75-2636283
(State or other jurisdiction of incorporation)	(Primary standard industrial classification code number)	(I.R.S Employer Identification no.)

670 WHITE PLAINS ROAD

SCARSDALE, NEW YORK 10583

(914) 725-2700

(Address and Telephone Number of Principal Executive Offices)

JOSEPH FIORE, CHIEF EXECUTIVE OFFICER
EAT AT JOE'S, LTD.

670 WHITE PLAINS ROAD

SCARSDALE, NEW YORK 10583

(914) 725-2700

(Name, Address, and Telephone Number of Agent For Service)

Copies to:

JAMES EISBERG, ESQ
BECKMAN, MILLMAN & SANDERS, LLP
116 JOHN STREET, 13TH FLOOR
NEW YORK, NEW YORK 10038

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APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be registered	Amount to be registered(1)	Proposed Maximum Offering Price per Security	Proposed Max. Aggregate Offering Price(1)	Amount of Registration fee
Warrants	188,000	\$.01	\$ 1,880	\$ 1
Common Stock \$.0001 par value underlying Warrants	256,000 (2)	\$3.00	\$ 768,000	\$ 227
Common Stock \$.0001 par value issuable upon conversion of outstanding Convertible Preferred Stock	2,500,000 (3)	\$3.00	\$7,500,000	\$2,213
Total			\$8,269,880	\$2,441

(1) Estimated solely for the purpose of calculating the registration fee in

accordance with Rule 457 under the Securities Act of 1933, as amended.

(2) Pursuant to Rule 415 under the Securities Act of 1933, as amended, this registration statement also covers such additional securities as may become issuable upon exercise of warrants issued to J. P. Carey Securities, Inc., (and their designees) who served as agent for the placement of the Company's securities in March and May, 1998

(3) Plus such indeterminate additional number of shares as may be issuable pursuant to adjustment provisions of such securities.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

(ii)

EAT AT JOE'S, LTD
CROSS REFERENCE SHEET
PURSUANT TO RULE 404

ITEM NUMBER IN

FORM SB-2 AND TITLE OF ITEM

LOCATION IN PROSPECTUS

PROSPECTUS

Item 1.	Front of Registration Statement and Outside Front Cover of Prospectus.....	Cover Page
Item 2.	Inside Front and Outside Cover Pages of Prospectus	Inside Front and Outside Cover Pages of Prospectus
Item 3.	Summary Information and Risk Factors.....	Prospectus Summary; The Company; Risk Factors
Item 4.	Use of Proceeds.....	Not Applicable
Item 5.	Determination of Offering Price.....	Outside Front Cover Page; Price Range of Common Stock
Item 6.	Dilution.....	Not Applicable
Item 7.	Selling Security Holders.....	Principal and Selling Shareholders
Item 8.	Plan of Distribution.....	Principal and Selling Shareholders
Item 9.	Legal Proceedings.....	Business
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Item 11.	Security Ownership of Certain Beneficial Owners and Management.....	Principal and Selling Shareholders
Item 12.	Description of Securities.....	Description of Securities
Item 13.	Interest of Named Experts and Counsel....	Legal Matters; Experts
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Item 15. Organization Within Last Five Years.....	Certain Transactions
Item 16. Description of Business.....	The Company; Business
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Item 17. Management's Discussion and Analysis or Plan of Operation.....	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 18. Description of Property.....	Business
Item 19. Certain Relationships and Related Transactions.....	Certain Transactions
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Item 21. Executive Compensation.....	Management
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(iv)

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION; DATED _____, 1998

Eat at Joe's Logo

EAT AT JOE'S, LTD

_____ Shares of Common Stock

_____ shares of Common Stock of Eat at Joe's, Ltd. ("Company") are being sold ("Offering") by certain shareholders of the Company (the "Selling Shareholders"). The Company will not receive any proceeds from the sale of the shares by the Selling Shareholders. See "Principal and Selling Shareholders."

The Selling Shareholders may be deemed to be "underwriters" as defined in the Securities Act of 1933, as amended ("Securities Act"). If any broker-dealers are used by the Selling Shareholders, any commission paid to broker-dealers and, if broker-dealers purchase any Selling Shareholders Common Stock as principals, any profits received by such broker-dealers on the resale of the Selling Shareholders Common Stock may be deemed to be underwriting discounts or commissions under the Securities Act. In addition, any profits realized by the Selling Shareholders may be deemed to be underwriting commissions.

The Company's Common Stock is quoted on the OTC Bulletin Board under the symbol JOES. The closing bid price for the Common Stock on _____, 1998 as reported by the OTC Bulletin Board was \$_____ per share. See "Price Range

of Common Stock."

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" COMMENCING ON PAGE 5.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE ARE SPECULATIVE SECURITIES.

	Price to Public	Underwriting Discount	Proceeds to Selling Stockholders
Per Share	\$-----	Not Applicable	\$-----
Total	\$-----	Not Applicable	\$-----

The date of this Prospectus is _____, 1998.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Unless otherwise indicated, the information in this Prospectus assumes no exercise of the Warrants referred to herein. Investors should carefully consider the information set forth under the caption "Risk Factors."

THE COMPANY

The business of Eat at Joe's, Ltd. (the "Company") is to develop, own and operate theme restaurants called "Eat at Joe's(R)." The Company presently owns and operates three restaurants located in Philadelphia, Pennsylvania, Cherry Hill, New Jersey, and Vorhees, New Jersey ("Existing units"). The Company is planning to open nine additional restaurants before the end of 1998. All these restaurants will be located within two hours from the Company's operation's center in Cherry Hill, New Jersey. All restaurants will be located in high traffic locations. The restaurants will be modest priced restaurants catering to the local working and residential population rather than as a tourist destination.

The restaurants will be decorated in a 1950's diner style. Each restaurant will offer three meals a day from an extensive 50's diner style menu including: eggs and hot cakes for breakfast; soup, sandwiches and salads for lunch; burgers, meat loaf and chicken entrees for dinner. All units will offer take out service.

The Company opened its 550 square foot Philadelphia location ("Shops at Penn") in November 1997, 600 square foot Cherry Hill location in December 1997 and 470 square foot location in Vorhees, New Jersey in May, 1998. All the restaurants are located in food courts in malls with common seating provided by the mall operator.

The Company was incorporated in January 1988 as a Delaware corporation. Through December 1992 it engaged in businesses unrelated to the present restaurant business. See Note 1 to Consolidated Financial Statements, page F-8. The Company was inactive from December 1992 through January 1996 when its shareholders adopted a plan of reorganization and merger with E.A.J. Holding Co., Inc. and subsequently began development of its present business. The

Company's executive offices are located at 670 White Plains Road, Scarsdale, New York 10583 and its telephone number is 914 725 2700. The Company's operation's office is located at 1415 Route 70 East, Suite 412, Cherry Hill, New Jersey 08034

THE OFFERING

Common Stock Offered by the Selling Stockholders.....shares
 Common Stock to be outstanding after the Offering.....shares
 OTC Bulletin Board Symbol.....JOES

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SUMMARY FINANCIAL INFORMATION

Fiscal Years Ended December 31					

	1993(1)	1994(1)	1995(1)	1996	1997

<i>Income Statement Data:</i>					
Net sales	\$ --	\$ --	\$ --	\$ --	\$ 84,781
Gross profit	--	--	--	--	27,926
Operating loss	--	--	--	(14,762)	(207,218)
Other expense, net	--	--	--	(3,938)	(4,304)

Loss before inc. taxes	--	--	--	(18,700)	(211,522)
Income taxes	--	--	--	--	--
Net Loss	\$ --	\$ --	\$ --	\$ (18,700)	\$ (211,522)
<i>Per Share Data</i>					
Net loss	\$ --	\$ --	\$ --	\$ --	\$ (0.02)
Weighted average shares outstanding	313,973	313,973	313,973	6,535,247	11,729,107

			December 31, 1997	
			Actual	As Adjusted(2)
<i>Balance Sheet Data:</i>				
Working Capital			\$ (1,070,974)	\$ (1,070,974)
Total Assets			2,314,972	2,314,972
long-term debt			-	-
Shareholders' equity			959,815	959,815

(1) The Company was inactive during 1993, 1994 and 1995

(2) Reflects the consummation of the offering and the application of the estimated net proceeds thereof as if the offering had occurred at December 31, 1997.

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RISK FACTORS

An investment in the Common Stock of the Company offered hereby is highly speculative and involves a high degree of risk. Investors could lose their entire investment. Prospective investors should carefully consider the following factors, along with the other information set forth in this Prospectus, in evaluating the Company, its business and prospects before purchasing the Common Stock.

LACK OF PROFITABILITY; LACK OF OPERATING HISTORY

The Company opened its first restaurant in November 1997 and second in December 1997. The Company had a loss of \$211,522 for the year ended December 31, 1997. The Company had a working capital deficit of 1,070,974 and a retained earnings deficit of \$1,288,757 at December 31, 1997. Prior to the opening of its Philadelphia location ("Shoppes at Penn"), the Company had no operations or revenues. Accordingly, the Company's operations are subject to all of the risks inherent in the establishment of a new business enterprise, including the lack of operating history. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any company. There can be no assurance that future operations of such restaurants, or any future restaurants, will be profitable. Future revenues and profits, if any, will depend upon various factors, including the market acceptance of the Company's 50's diner decor concept, the quality of restaurant operations, and general economic conditions. Frequently, restaurants, particularly theme-oriented restaurants, experience a decline of revenue growth or of actual revenues as the restaurant's "initial honeymoon" period expires and consumers tire of the related theme. There is no assurance that the Company can operate profitably or that it will successfully implement its expansion plans, in which case the Company will continue to be dependent on the revenues of the Existing Units. Furthermore, to the extent that the Company's expansion strategy is successful, the Company must manage the transition to multiple site operations, higher volume operations, the control of overhead expenses and the addition of necessary personnel.

LIMITED MANAGEMENT EXPERIENCE/NEED FOR ADDITIONAL MANAGEMENT

The success of the Company will depend upon the Company's ability to attract and retain a highly qualified management team. Joseph Fiore and Andrew Cosenza, Jr., the Company's Chairman and President respectively, each have over 15 years experience in the multi-unit restaurant business. The Company will also need to hire other corporate level and management employees to help implement and operate its expansion plans, including a chief financial officer, retail

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leasing specialist and construction coordinator. The failure to obtain, or delays in obtaining, key employees could have a material adverse effect on the Company. See "Management."

LIMITED BASE OF OPERATIONS

The Company currently operates only 3 restaurants and plans to open 9 additional restaurants in 1998. The combination of the relatively small number of locations and the significant investment associated with each new unit may cause the operating results of the Company to fluctuate significantly and adversely affect the profitability of the Company. Due to this relatively small number of current and planned locations for the current year, poor operating results at any one unit or a delay in the planned opening of a unit could materially affect the profitability of the entire Company. Future growth in revenues and profits will depend to a substantial extent on the Company's ability to increase the number of its restaurants. Additionally, the Company's history does not provide any basis for prediction as to whether individual units will tend to show increases or decreases in comparable unit sales.

LIMITED FINANCIAL RESOURCES; NEED FOR ADDITIONAL FINANCING

The Company's ability to execute its business strategy depends to a significant degree on its ability to obtain substantial equity capital to finance the development of additional restaurants. During the remainder of this year, the Company will seek to raise \$10,000,000 by the sale of equity securities or by borrowing. There is no assurance that the Company will be successful in this financing effort. The proceeds ("New Financings"), if obtained will provide the Company with the financing required to develop and open 9 additional restaurants and for working capital purposes. The total cost of developing the Shops at Penn unit was approximately \$195,000, which included

\$125,000 for the design and construction, \$50,000 for equipment, furniture and fixtures, and \$20,000 for other costs. The total cost of developing the Cherry Hill unit was approximately \$215,000, which included \$140,000 for the design and construction, \$55,000 for equipment, furniture and fixtures, and \$20,000 for other costs. The Company estimates that the costs of developing 9 additional restaurants presently planned for the remainder of this calendar year will be approximately \$5,000,000. Although the Company estimates that the proceeds from the New Financings and existing funds of the Company will be sufficient to develop and open 9 additional units, there can be no assurance that such facilities can be developed at such estimated costs. If the proceeds of the New Financings are not sufficient to develop such units, the expansion strategy of the Company will be adversely affected. If additional funds are required, there can be no assurance that any additional funds will be available on terms acceptable to the Company or its shareholders. New investors may seek and obtain substantially better terms than were granted its present investors and the issuance of such securities would result in dilution to the existing shareholders. Furthermore, as the Company prepares to open additional units, it will expend a relatively higher amount on administrative expenses than would a mature Company with such operations.

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EXPANSION STRATEGY

The Company's ability to open and successfully operate additional units will also depend upon the hiring and training of skilled restaurant management personnel and the general ability to successfully manage growth, including monitoring restaurants and controlling costs, food quality and customer service. While the Company's present senior management has experience developing and operating multi-unit facilities, the Company anticipates that the opening of additional units will give rise to additional expenses associated with managing operations located in multiple markets. Furthermore, the Company believes that competition for unit-level management has become increasingly intense as additional restaurant chains expand to new markets. Achieving consumer awareness and market acceptance will require substantial efforts and expenditures by the Company. An extraordinary amount of management's time may be drawn to such matters and negatively impact operating results. There can be no assurance that the Company will be able to enter into any other contracts for development of additional units on terms satisfactory to the Company. Accordingly, there can be no assurance that the Company will be able to open new units or that, if opened, those units can be operated profitably. See "Business -- Expansion Strategy."

THE RESTAURANT INDUSTRY AND COMPETITION

The restaurant industry is highly competitive with respect to price, service, quality and location and, as a result, has a high failure rate. There are numerous well-established competitors, including national, regional and local restaurant chains, possessing substantially greater financial, marketing, personnel and other resources than the Company. There can be no assurance that the Company will be able to respond to various competitive factors affecting the restaurant industry. The restaurant industry is also generally affected by: changes in consumer preferences, national, regional and local economic conditions, and demographic trends. The performance of restaurant facilities may also be affected by factors such as traffic patterns, demographic considerations, and the type, number and location of competing facilities. In addition, factors such as inflation, increased labor and employee benefit costs, and a lack of availability of experienced management and hourly employees may also adversely affect the restaurant industry in general and the Company's restaurants in particular. Restaurant operating costs are further affected by increases in the minimum hourly wage, unemployment tax rates and similar matters over which the Company has no control. Finally, by the nature of its business, the Company would be subject to potential liability from serving contaminated or improperly prepared food.

CONCEPT EVOLUTION

The Company presently intends that most of its future restaurants will feature the 50's diner decor similar to that in the Existing Units. The restaurants will be positioned to offer an "every day" type of dining opportunity, i.e. a place where individuals who live and work nearby can

comfortably enjoy a wide variety of high quality fresh food at affordable prices. However, this concept is evolving and a number of factors could change this theme as applied in different locations. These factors include demographic

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and regional differences, locations that have more or less traffic than the areas in which those units are located, type of available floor space, and the availability of specialty items such as antiques. Accordingly, future units could be larger or smaller than those units, could vary in the mix of retail/restaurant operations, and could have differences in the application of the 50's diner theme.

LONG-TERM, NON-CANCELABLE LEASES

In carrying out its plan to develop, own and operate theme restaurants, the Company will enter into leases which are non-cancelable and range in term from 8 to 15 years. Any right to sublet or assignment requires approval of the landlord. If a restaurant unit does not perform at a profitable level, and the decision is made to close the restaurant, the Company may nevertheless be committed to perform its obligations under the applicable lease, which would include, among other things, payment of the base rent for the balance of the respective lease term. If such a restaurant closing were to occur at one of these locations, and the Company was unable to sublet the premises, the Company would lose a unit without necessarily receiving an adequate return on the its investment. See "Business -- Property and Unit Locations" and "Certain Transactions."

TRANSACTIONS WITH MANAGEMENT; CONFLICTS OF INTEREST

Anthony Cosenza, Jr., the Company's President is the owner of Cozco Management Corp., a mall food court operating company in the Philadelphia area. Cozco operates 24 food court restaurant units, none which carry out the concept of the Company's operations. In the opinion of management, none of the Company's existing or planned locations compete with the Cozco locations. The Company's operations office consists of 3,000 square feet and shares space with Cozco in Cherry Hill, New Jersey. The Company pays Cozco a monthly rent of \$3,786 on a month to month tenancy. See "Certain Transactions."

CONTROL OF THE COMPANY; DEPENDENCE ON KEY PERSONNEL

Following this Offering, Joseph Fiore and Andrew Cosenza Jr., will control approximately 39 % of the Company's Common Stock. Therefore, Messrs. Fiore and Cosenza will have the ability to direct its operations and financial affairs and to substantially influence the election of members of the Board of Directors of the Company. The loss of the services of Messrs. Fiore and/or Cosenza could have a substantial adverse effect on the Company's ability to achieve its objectives. The Company currently has no key man insurance on either Mr. Fiore or Mr. Cosenza.

GOVERNMENT REGULATION

The restaurant business is subject to various federal, state and local government regulations, including those relating to the sale of food and alcoholic beverages. The failure to maintain food and liquor licenses would have a material adverse effect on the Company's operating results. In addition,

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restaurant operating costs are affected by increases in the minimum hourly wage, unemployment tax rates, sales taxes and similar costs over which the Company has no control. Many of the Company's restaurant personnel will be paid at rates based on the federal minimum wage. Recent increases in the minimum wage are not expected to materially impact the Company's labor costs. The Company will be subject to "dram shop" statutes in certain states, including New Jersey and Pennsylvania which generally allow a person injured by an intoxicated person to recover damages from an establishment that served alcoholic beverages to such intoxicated person. The Company has obtained liability insurance against such

potential liability.

TRADEMARKS

The Company has been granted a servicemark registration for the name Eat at Joe's. There can be no assurance that the Company can protect such mark and design against prior users in areas where the Company conducts operations. There is no assurance that the Company will be able to prevent competitors from using the same or similar marks, concepts or appearance.

ABSENCE OF DIVIDENDS

At the present time, the Company intends to use any earnings which may be generated to finance further growth of the Company's business. Accordingly, investors should not purchase the shares with a view towards receipt of cash dividends from any Shares.

RISK OF LOW-PRICED STOCKS

Rules 15c-1 through 15c-9 promulgated under the Securities Exchange Act of 1934 ("Exchange Act") impose sales practice and disclosure requirements on certain brokers and dealers who engage in certain transactions involving "a penny stock."

Currently the Company's Common Stock is considered a penny stock for purposes of the Exchange Act. The additional sales practice and disclosure requirements imposed on certain brokers and dealers could impede the sale of the Company's Common Stock in the secondary market. In addition, the market liquidity for the Company's securities may be severely adversely affected, with concomitant adverse effects on the price of the Company's securities.

Under the penny stock regulations, a broker or dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with net worth in excess of \$1,000,000 or annual incomes exceeding \$200,000, or \$300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker or dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the broker or dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission ("SEC") relating to the penny stock market, unless the broker or dealer or the transaction is otherwise exempt. A broker or dealer is

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also required to disclose commissions payable to the broker or dealer and the registered representative and current quotation for the securities. In addition, a broker or dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

SHARES ELIGIBLE FOR FUTURE SALE

The sale, or availability for sale, of substantial amounts of Common Stock in the public market subsequent to this offering may adversely affect the prevailing market price of Common Stock and may impair the Company's ability to raise additional capital by the sale of its equity securities. See "Description of Securities -- Shares Eligible for Future Sale."

POTENTIAL ANTI-TAKEOVER EFFECTS OF DELAWARE LAW

The Company is subject to Delaware statutes regulating business combinations, tender offers and proxy contests, which may hinder or delay a change in control of the Company. See "Description of Securities."

CAPITALIZATION

The following table sets forth the capitalization of the Company as of March 31, 1998, as further adjusted to give effect to the sale of the Common Stock offered hereby and the anticipated application by the Company of the proceeds therefrom. See the Consolidated Financial Statements.

	March 31, 1998	
	Actual	As adjusted(1)
	-----	-----
Short-term debt:		
Notes payable and shareholder loans	\$1,668,570	\$1,668,570
	-----	-----
Long-term debt	-	-
Shareholder's equity:		
Preferred Stock, \$.0001 par value, 10,000,000 shares authorized, 115 shares issued and outstanding	-	-
Common Stock, \$.0001 par value, 50,000,000 shares authorized, 12,733,805 issued and outstanding;	1,273	1,273
Additional paid-in capital	3,041,929	3,041,929
Retained deficit	(1,642,167)	(1,642,167)
	-----	-----
Total shareholders' equity	1,401,035	1,041,035
	-----	-----
Total capitalization	\$3,069,605	\$3,069,605
	=====	=====

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(1) Does not include 1,060,000 shares of Common Stock issuable upon exercise of Warrants at an exercise price of \$1.00 per share; 102,000 shares issuable upon the exercise of Warrants at an exercise price of \$1.49 per share; and 154,000 shares issuable at an exercise price of \$1.79 per share.

SELECTED CONSOLIDATED FINANCIAL DATA

The consolidated statement of income data set forth below with respect to the year ended December 31, 1996 and 1997, and the consolidated balance sheet data at December 31, 1996 and 1997, are derived from, and are qualified by reference to, the audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of income data for the years ended December 31, 1993, 1994 and 1995, and the consolidated balance sheet data at December 31, 1993, 1994 and 1995 are derived from audited consolidated financial statements of the Company and not included herein. The data presented below are qualified by reference to Consolidated Financial Statement included elsewhere in this prospectus and should be read in conjunction with such financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Fiscal Years Ended December 31				
	1993(1)	1994(1)	1995(1)	1996	1997
	-----	-----	-----	-----	-----
Income Statement Data:					
Net sales	\$ --	\$ --	\$ --	\$ --	\$ 84,781
Gross profit	--	--	--	--	27,926
Operating loss	--	--	--	(14,762)	(207,218)
Other expense, net	--	--	--	(3,938)	(4,304)
	-----	-----	-----	-----	-----
Loss before inc. taxes	--	--	--	(18,700)	(211,522)

Income taxes	--	--	--	--	--
Net Loss	\$ --	\$ --	\$ --	\$ (18,700)	\$ (211,522)
<i>Per Share Data</i>					
Net loss	\$ --	\$ --	\$ --	\$ --	\$ (0.02)
Weighted average shares outstanding	313,973	313,973	313,973	6,535,247	11,729,107

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Fiscal Years Ended December 31

	1993(1)	1994(1)	1995(1)	1996	1997
<i>Balance Sheet Data:</i>					
Working Capital	\$ -	\$ -	\$ -	\$ 100,247	\$ (1,070,974)
Total Assets	-	-	-	291,072	2,314,974
Long-term debt	-	-	-	-	-
Shareholders' equity	-	-	-	271,337	959,815

(1) The Company was inactive during 1993, 1994 and 1995.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company was re-activated in January 1997 to develop, own and operate 1950's style diner style restaurants featuring popular dishes at affordable prices under the name "Eat at Joe's(R)." The Company opened its first restaurant in Cherry Hills, New Jersey in November 1997, its second restaurant in Philadelphia in December 1997 and third restaurant in Vorhees, New Jersey in May, 1998. Prior to opening these restaurants the Company had no revenues and its activities were devoted solely to development. The Company is developing 9 additional restaurants to open during the current calendar year.

Future revenues and profits, if any, will depend upon various factors, including market acceptance of the 1950's diner style concept, the quality of the restaurant operations, the ability to expand to multi-unit locations and general economic conditions. The Company's present sources of revenue are limited to its Existing Units. There can be no assurances the Company will successfully implement its expansion plans, in which case it will continue to be dependent on the revenues from the Existing Units. The Company also faces all of the risks, expenses and difficulties frequently encountered in connection with the expansion and development of a new and expanding business. Furthermore, to the extent that the Company's expansion strategy is successful, it must manage the transition to multiple site operations, higher volume operations, the control of overhead expenses and the addition of necessary personnel.

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RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996.

The Company had no revenues in 1996 except for receipt of \$70,000 received from the sale of securities and its activities were devoted solely to development. Revenues from operations commenced in November 1997 with the opening of the Shoppes at Penn restaurant. Accordingly, comparisons with periods prior to November 1997 are not meaningful.

Total Revenues -For the year ended December 31, 1997, the Company had total sales of \$85,000 compared with no sales for the previous year.

Costs and Expenses - For the year ended December 31, 1997, the Company had a net loss of \$211,522 compared with a net loss of \$18,700 for the prior year. The net loss for 1997 is largely attributable to additional expenses incurred as the Company increases its Corporate overhead structure for the development of additional locations supported by revenues from primarily two operating units which were open for business for 6 weeks and 3 weeks respectively. Given the limited operations which took place in 1997, any discussion of operating expenses as a percentage of sales would not be meaningful and might be misleading.

LIQUIDITY AND CAPITAL RESOURCES

The Company has met its capital requirements through the sale of its Common Stock and borrowings. In May of 1996, the Company sold 14,455 shares of its Common Stock for \$10,000. In November 1996, the Company completed the sale of 6,000,000 shares of its Common Stock and 2,000,000 warrants for \$60,000 pursuant to a Reg. D-504 offering. In 1997, \$940,000 was raised through the exercise of 940,000 warrants. Also in 1997, \$995,000 was borrowed including \$690,000 from officers. The net proceeds to the Company were used for additional unit development and working capital.

For the year ended December 31, 1996, the Company used \$35,000 in cash flow for operating activities and during the year ended December 31, 1997, the Company provided \$98,000 in cash flow for operating activities.

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 as described below. Total capital expenditures for the Cherry Hill and Philadelphia Units were approximately \$210,000 and \$195,000, respectively.

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The Company is developing additional restaurants in the Philadelphia/Cherry Hill area and other areas. The Company had incurred approximately \$1,000,000 in the development of these units as of April 30, 1998. When completed, the Company estimates that capital expenditures for these additional units will be approximately \$9,200,000. The units are expected to be opened by the end of 1998.

In addition to construction in progress, the Company has capitalized approximately \$104,000 of direct costs relating to the Cherry Hill and Philadelphia units and under construction. It is the Company's policy to amortize the direct costs of hiring and training the initial work force and other direct costs associated with opening a new unit over a twelve-month period, beginning when the facility is opened, if the recoverability of such costs can be reasonably assured.

After the completion of these expansion plans, 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.

OVERVIEW

The business of Eat at Joe's, Ltd. (the "Company") is to develop, own and operate theme restaurants called "Eat at Joe's(R)". The Company presently owns and operates three restaurants located in Cherry Hill and Voorhees, New Jersey and Philadelphia, Pennsylvania, respectively. The Company is planning to open 9 additional restaurants before the end of 1998. All these restaurants generally will be located within a two hour drive of the Company's operation's center in Cherry Hill, New Jersey. All restaurants will be located in high traffic locations such as shopping malls, airports and densely populated settings. The Company will utilize a cluster strategy- i.e. grouping sites geographically in order to maximize both the chain's exposure, as well as management and marketing efficiency. The restaurants will be modest priced restaurants catering to the local working and residential population rather than as a tourist destination.

THE EAT AT JOE'S CONCEPT AND STRATEGY

Concept Development

The Company's theme is promoted with establishing restaurants which are decorated with a 1950's style diner concept featuring a variety of popular breakfast, lunch and dinner dishes. The restaurants will be three-meal a day

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operations, emphasize fresh ingredients, affordable prices, consistent quality and a fun and visually appealing atmosphere. The restaurants will seek to attract patrons who live and work nearby and on a repeat basis, can comfortably enjoy a wide variety of fresh foods at affordable prices.

Mr. Fiore previously established nine restaurant locations featuring a traditional American menu of full breakfasts, hamburgers, fries and hot dogs and ice cream sundaes. The locations were subsequently closed by Mr. Fiore to reformulate the concept to appeal to a wider market. Through Cozco, Mr. Consenza has fifteen years experience in restaurant site selection, lease negotiation and management.

In identifying a potential market niche, Messrs. Fiore and Cosenza have studied the development of certain restaurants that have capitalized on the growing trend of home replacement meals taking the place of home cooked meals. The Company hopes to capitalize on this trend, both for dine-in and take-out meals. The Company believes that the comfortable, appealing decor of its restaurants and the universal appeal of home type cooking will be significant advantages in its attempts to penetrate this niche market.

Competitive Differentiation

The Company seeks to establish a niche in between a fast food restaurant and a traditional restaurant. The Company's restaurants provide a menu offering fresh cooked food with rapid meal service at affordable prices. The Company seeks to attract customers who are tired of standard fast food and desire a quick, quality, modest priced meal not being served by existing casual restaurants. While patrons will be served faster at a fast food franchise, Eat at Joe's restaurants will serve a meal in a foodcourt in approximately 3 minutes from the time of order. Further, the menu will not include items which requires complicated preparation or lengthy cooking time.

Currently there is no chain of restaurants in the Philadelphia area offering the atmosphere and food selection at that of Eat at Joe's. On an individual basis, traditional diners do offer similar atmosphere. The Company will seek to expand penetration by multiple restaurant openings in a certain area rather than on a one restaurant at a time expansion. Should competitors emerge, the Company's believes its proposed market penetration will provide it with a competitive advantage. Many of the Company's planned restaurants are to be located in malls and other venues where most of the competition are not theme restaurants.

The Menu

The restaurants' decor notwithstanding, the Company's primary focus is its food where it seeks to attract repeat business. Breakfasts will include eggs, waffles and cereal; lunches, soups, salads, burgers and sandwiches and dinner,

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entrees including turkey, meat loaf and chicken. Most of the baked goods offered for sale will have been baked on the premises. Generous portions will be provided to diners. Lunch entrees range from \$5.95 to \$8.95 and dinner entrees from \$7.95 to \$11.75. The average guest check for the Company's opened units is approximately \$6.00 at the present time

The Company intends to obtain a beer and wine license for some of its restaurants, with the intention that such beverages will be served along with meals. The Company does not intend to emphasize sales of beer and wine apart from meals in most of its restaurants, primarily because the Company feels that it reduces the number of table turns and therefore profitability.

Food Preparation and Delivery

The Company believes that ease of food preparation and delivery will be one key to its success. While some restaurants require highly compensated and extensively trained chefs, the food served at each restaurant is prepared in a basic process that requires minimal training time and which allows each menu item to be served with minimal preparation. The Company views this efficient and effective process as critical for its planned expansion as a chain

PROPERTY AND UNIT LOCATIONS

The Eat at Joe's restaurant concept has been adapted for three versions requiring difference space arrangements to allow flexibility in site selection and maximum market penetration. These versions include mall food court units requiring 350-500 square feet; sit down restaurant requiring 1,500-7,500 square feet and sit down restaurant with a bar and liquor license requiring 2,500-7,500 square feet.

The following table sets forth certain information about the Company's existing and planned restaurants:

Location	Approx. Sq. Footage	Approx. nos. of seats	Date Opened or Planned to Open
Shoppes at Penn Philadelphia, PA (2)	450	600(1)	November 15, 1997
Cherry Hill Mall Cherry Hill, NJ (3)	600	800(1)	December 6, 1997
Echelon Mall Vorhees, NJ (4)	470	600(1)	May 9, 1997
Philadelphia Airport Philadelphia, PA (5)	845	120(1)	May, 1998

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Eat at Joe's Univ. City Philadelphia, PA (6)	4000	160	June, 1998
Gallery at Market East Philadelphia, PA (8)	2000	100	June, 1998

Moorestown Mall Moorestown, NJ (7)	3680	150	July, 1998
Gallery at Harbor Pl. Baltimore, MD (9)	2530	160	July, 1998
Shoppingtown Mall DeWitt, NY (10)	2450	600(1)	3rd quarter, 1998
Neshaminy Mall Bensalom, PA (11)	4500	150	3rd quarter, 1998
Plymouth Meeting Mall Plymouth Meeting, PA (12)	4540	160	3rd quarter, 1998
Danbury Fair Mall Danbury, CT (13)	3020	140	4th quarter, 1998

(1) Food Court

- (2) Monthly rent \$ 1,710; lease expiration date-December, 2008
(3) Monthly rent \$ 4,400; lease expiration date-September, 2007
(4) Monthly rent \$ 1,950; lease expiration date-January, 2006
(5) Monthly rent \$ 7,100; lease expiration date-April, 2007
(6) Monthly rent \$ 6,667; lease expiration date-December, 2008
(7) Monthly rent \$ 6,250; lease expiration date-June, 2012
(8) Monthly rent \$ 4,166; lease expiration date-December, 2007
(9) Monthly rent \$ 8,333; lease expiration date-March, 2008
(10) Monthly rent \$ 4,166; lease expiration date-December, 2012
(11) Monthly rent \$ 7,500; lease expiration date-July 2013
(12) Monthly rent \$12,500; lease expiration date-March, 2008
(13) Monthly rent \$11,080; lease expiration date-December, 2013

The Company's leases are generally subject to periodic increases in base rent as well as a percentage of sales during the term of the lease.

The Company's executive offices are located at 670 White Plains Road, Scarsdale, New York in space leased by the Company's Chairman. The lease expires in April, 2003. The Company pays no rent for its space. The Company's operations office is located at 1415 Route 70, Cherry Hill, New Jersey in space provided by Cozco Management Corp.

EXPANSION STRATEGY

The Company intends to identify sites to locate its restaurants based on a variety of factors including local market demographics, site viability, competition and projected economics of each unit. In addition to site selection criteria, the Company has primarily focused on sites where management has operating experience through other entities as well as a previous relationship with the developer/management organization. Initial plans are to continue to identify and finalize future site opportunities in the Philadelphia/Cherry Hill area via leases. The Company believes the area can support up to approximately 12 units, and expects to open at least 6 additional units in the Philadelphia/Cherry Hill area in 1998.

The Company intends to target additional major metropolitan markets to broaden and enhance the recognition value of the concept. Specific cities for expansion will be identified and analyzed as to potential compatibility with the concept. There is no assurance that the Company will be successful in targeting new areas.

OPERATIONS, MANAGEMENT AND EMPLOYEES

The Company's ability to manage multi-location units will be central to its overall success. See "Risk Factors -- Limited Management Experience/Need for

Additional Management." While the Company's Chairman and President have extensive restaurant and multi-unit restaurant experience, the Company acknowledges that its management must include skilled personnel at all levels. The Company also intends to hire other corporate level and management employees to help implement and operate its expansion plans, including a chief financial officer, retail leasing specialist and construction coordinator. At the unit level, the Company places specific emphasis on the position of general manager ("General Manager") and seeks employees with significant restaurant experience and management expertise. The General Manager of each restaurant reports directly to the President. The Company strives to maintain quality and consistency in each of its units through the careful training and supervision of personnel and the establishment of, and adherence to, high standards relating to personnel performance, food and beverage preparation, and maintenance of facilities. The Company believes that it will be able to attract high quality, experienced restaurant and retail management personnel by paying competitive compensation. Staffing levels vary according to the time of day and size of the restaurant. In general, each unit has between 8 and 25 employees.

All managers must complete a training program, during which they are instructed in areas such as food quality and preparation, customer service, and employee relations. An "Opening Team" spends between 4 and 6 weeks at a new location training personnel. Management strives to instill enthusiasm and dedication in its employees, regularly solicits employee suggestions concerning Company operations, and endeavors to be responsive to employees' concerns. In addition, the Company has extensive and varied programs designed to recognize and reward employees for superior performance. As of April 30, 1998, the Company had approximately 30 employees, 12 of which were full-time. The Company believes that its relationship with its employees is good.

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PURCHASING

As of the date of this prospectus, only 3 of the Company's units are in operation. Currently, food is prepared a centralized food commissary. As more units are opened, each unit's management team will determine the daily quantities of food items needed and order such quantities from major suppliers at prices often negotiated directly with the Company's corporate office. Suppliers for the Eat at Joe's chain will generally be companies with which management has an ongoing relationship and which has been judged over time to be reliable. The Company strives to obtain consistent quality items at competitive prices from reliable sources. Any discontinuance of such favorable pricing could negatively impact the Company's purchasing abilities. In order to maximize operating efficiencies and to provide the freshest ingredients for its food products while obtaining the lowest possible prices for the required quality, food and supplies will be shipped directly to the restaurants. Perishable food products will be purchased locally.

MARKETING AND PROMOTION; RETAIL MERCHANDISING

The Company may utilize a variety of marketing materials to inform the public about the Company's restaurants. These may include:

- *radio advertisements describing the Eat at Joe's dining and take out experience;

- *newspaper and local magazine advertisements which will emphasize Eat at Joe's restaurant openings or site-specific promotional programs;

- *retail product catalog featuring a variety of merchandise bearing the Eat Joe's logo-which can be considered to be a "mobile advertising for the chain;

- *direct mail promotional literature for mailing to households within driving or walking distance of an Eat at Joe's site;

- *trade show booth for shows, conferences and seminars relating to the food service industry and shopping malls;

- *Public relations to promote the Company's individual restaurant sites. In

addition to press releases, management intends to initiate efforts to develop and have published articles showcasing Eat at Joe's and its theme, decor, menu and merchandise offerings.

The Company may seek to capitalize on the nostalgia craze by offering 50s style merchandise at its restaurants and through a catalog. Apparel such as hats, jackets, T-shirts and sweatshirts bearing the Eat at Joe's logo; gifts and collectibles, such as 50's music; printed matter and toys and games could be offered for sale. As all retail merchandise to be sold by the Company would be

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out-sourced on an as-needed basis, the initial investment would no more than \$25,000.

TRADEMARKS

The Company's ability to successfully implement its Eat at Joe's concept will depend in part upon its ability to protect its servicemark. The Company has been granted a servicemark registration for the name Eat at Joe's. There is no assurance that the Company will be able to prevent competitors from using the same or similar marks, concepts or appearance.

LEGAL PROCEEDINGS

The Company is not a party to any material litigation and is not aware of any threatened litigation that would have a material adverse effect on its business.

COMPETITION

The food service industry is intensely competitive with respect to food quality, concept, location, service and price. In addition, there are many well-established food service competitors with substantially greater financial and other resources than the Company and with substantially longer operating histories. The Company believes that it competes with other full-service dine-in restaurants, take-out food service companies, fast-food restaurants, delicatessens, cafeteria-style buffets, and prepared food stores, as well as with supermarkets and convenience stores. Competitors include national, regional, and local restaurants, purveyors of carry-out food, and convenience dining establishments.

Competition in the food service business is often affected by changes in consumer tastes, national, regional, and local economic and real estate conditions, demographic trends, traffic patterns, the cost and availability of labor, purchasing power, availability of product, and local competitive factors. The Company attempts to manage or adapt to these factors, but it should be recognized that some or all of these factors could cause the Company to be adversely affected.

REGULATION

Restaurants are subject to licensing and regulation by state and local health, sanitation, safety, fire, and other authorities and are also subject to state and local licensing and regulation of the sale of alcoholic beverages and food. Difficulties in obtaining or failure to obtain required licenses and approvals will result in delays in, or cancellation of, the opening of restaurants. The food and alcoholic beverage licenses are also subject to suspension or non-renewal if the granting authority determines that the conduct of the holder does not meet the standards for initial grant or renewal. The

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Company believes that it is in compliance with all licensing and other regulations.

The federal Americans With Disabilities Act prohibits discrimination on the basis of disability in public accommodations and employment. The Company could be required to expend funds to modify its restaurants in order to provide service to or make reasonable accommodations for disabled persons. The Company's restaurants are currently designed to be accessible to the disabled. The Company believes it is in substantial compliance with all current applicable regulations relating to accommodations for the disabled.

PRICE RANGE OF COMMON STOCK

Since October, 1996 the Common Stock of the Company has been traded on the OTC Bulletin Board under the symbol JOES. The following table sets forth the closing high and low sales prices, and trading volume for each of the periods indicated below for the Company's Common Stock:

Year	Quarter	High	Low	Volume (shares)
1996	Fourth (Oct. 7 to Dec. 31.)	\$2.53	\$2.00	7,400
1997	First	5.63	4.00	188,300
	Second	4.50	2.00	1,037,700
	Third	3.50	1.50	1,725,800
	Fourth	2.75	0.82	3,864,900
1998	First	2.04	1.06	6,459,000
	Second			

On ____ 1998, the closing bid price of the Common Stock on the OTC Bulletin Board was \$_____. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. As of April 30, 1998, there were approximately 358 shareholders of record of the Common Stock. The Company has never paid or declared any dividends on its Common Stock and does not anticipate paying any cash dividends in the foreseeable future. The Company currently intends to retain future earnings to fund the development and growth of its business

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information with respect to each of the directors and executive officers of the Company.

NAME	AGE	POSITION(S) HELD
Joseph Fiore.....	37	Chairman of the Board and Chief Executive Officer, Secretary
	21	
Andrew Cosenza, Jr.....	29	President, Chief Operating Officer Director
James Mylock.....	31	Director

Joseph Fiore has been Chairman and Chief Executive Officer since October, 1996. In 1982, Mr. Fiore formed East Coast Equipment and Supply Co., Inc., a restaurant supply company that he still owns. Between 1982 and 1993, Mr. Fiore established 9 restaurants (2 owned and 7 franchised) which featured a 1959's theme restaurant concept offering a traditional American menu. Also in 1993 Mr. Fiore acquired the Red Rooster Drive-In, a landmark 50's theme restaurant in Brewster, New York.

Andrew Cosenza, Jr. Has been the President and Chief Operating Officer since October, 1996. Since 1990 he has been the owner of Cozco Management Corp., an operator of 24 mall food court restaurants in the Philadelphia area.

James Mylock has worked with Joseph Fiore in marketing and business development since graduating from the State University of New York at Buffalo in 1990

EXECUTIVE COMPENSATION

The following table sets forth all cash and non-cash compensation paid by the Company during the fiscal year ended December 31, 1997 to all officers and directors as a group.

Number in Group	Capacities in Which Served	Compensation
All officers and directors as a group (3 persons).....		\$ 12,500

EMPLOYMENT AGREEMENTS

Effective January 1, 1997, both Joseph Fiore and Andrew Cosenza, Jr. entered into employment agreements with the Company calling for a salary of \$100,000 per year. Given the limited cash available to the Company in 1997, Mr. Fiore deferred his salary for the year. Mr. Fiore is to receive a salary of \$225,000 for 1998 which may be paid in restricted Common Stock of the Company. In 1999 he is to receive a salary of \$350,000 in cash conditioned on 10 of the Company's units being operating at the end of the 1998.

In 1997, Mr. Cosenza deferred \$87,500 of his \$100,000 salary. Mr. Cosenza is to receive a salary of \$225,000 for 1998. In 1999 he is to receive a salary of \$350,000 in cash conditioned on 10 of the Company's units being operating at the end of the 1998. In addition, the Company will provide Mr. Cosenza with the use of an automobile.

Messrs. Fiore and Cosenza were to receive family health insurance coverage until age 70 and life insurance coverage until age 70 with a death benefit of \$1,000,000 and the use of an automobile with all expenses associated with its maintenance and operation paid by the Company. Both gentlemen deferred these benefits until after 1997 except Mr. Cosenza did receive the use of an automobile for part of 1997 at a cost to the Company of \$44,000.

The Company intends to retain other management employees pursuant to employment and consulting agreements. The Company has no current plans to pay cash compensation to its directors who are also officers of the Company.

For a one-year period following the Effective Date, the Company will not grant options to promoters, employees or affiliates of the Company which, together with options previously granted to such persons, would in the aggregate exceed 15% of the then outstanding shares of Common Stock.

BOARD OF DIRECTORS

Each of the Company's directors has been elected to serve until the next annual meeting of shareholders. The Company's executive officers are appointed annually by the Company's directors. Each of the Company's directors continues to serve until his or her successor has been designated and qualified. Directors currently receive no fees.

PERSONAL LIABILITY AND INDEMNIFICATION OF DIRECTORS

The Company's By-laws contain provisions which reduce the potential personal liability of directors for certain monetary damages and provide for indemnity of directors and other persons. The Company is unaware of any pending or threatened litigation against the Company or its directors that would result in any liability for which such director would seek indemnification or similar protection.

The provisions regarding indemnification provide, in essence, that the Company will indemnify directors against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with any action, suit, or proceeding arising out of the director's status as a director of the Company, including actions brought by or on behalf of the Company (stockholder derivative actions). The provisions do not provide indemnification for liability in proceedings arising out of personal benefit improperly received or where a person is found liable to the Company. The Company does not presently provide insurance to its directors although the Company will attempt to obtain such insurance in the future.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors and officers of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that such indemnification, in the opinion of the Securities and Exchange Commission, is against public policy as expressed in the Securities Act and is, therefore, unenforceable

CERTAIN TRANSACTIONS

During 1997, Cozco Management Corp., a corporation controlled by the Company's President, received \$546,574 as reimbursement of rent, telephone, equipment, travel, automotive salaries and other shared expenses. During 1997, Messrs. Fiore and Cosenza and/or companies controlled by them, paid expenses and made advances to the Company aggregating \$702,922. Repayment of these monies will be in the form of cash with interest at 6% per annum and/or restricted Common Stock valued at a 25% discount from market price at the time of the advance.

On April 1, 1998, the Company entered into a 12 month agreement with The Wall Street Group, Inc. ("Wall Street") calling for Wall Street to act as financial public relations counsel to the Company. The agreement calls for monthly payments of \$5,000 for services rendered and grants an five year option to Wall Street to acquire 61,350 restricted shares of the Company's Common Stock at the then market price of \$1.63 per share.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information regarding beneficial ownership of the Company's Common Stock as of May 22, 1998, by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director of the Company, (iii) each executive officer of the Company, (iv) by all executive officers and directors of the Company as a group and (v) the Selling Shareholders. See "Description of Securities". Unless otherwise indicated, each of the following persons has sole voting and investment power with respect to the shares of Common Stock set forth opposite their respective names.

Beneficial Owner	Shares Beneficially Owned Before the Offering (1)		Shares Being Offered	Shares Beneficially Owned After the Offering	
	number	percent		number	number
Joseph Fiore	2,909,384	20.5	0	2,909,384	20.5
Andrew Cosenza, Jr.	2,662,450	18.7	0	2,662,384	18.7
Sandro Grimaldi	76,336	less than 1	76,336	0	0
Holden Holdings, Ltd.	124,045	less than 1	124,045	0	0
UnionKredit Anstalt	47,710	less than 1	47,710	0	0
Arab Commerce Bank	47,710	less than 1	47,710	0	0
Bonetti Enrico	47,710	less than 1	47,710	0	0

<i>Ailouros, Ltd.</i>	47,710	less than 1	47,710	0	0
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<i>Zooley Services Ltd.</i>	47,710	less than 1	47,710	0	0
<i>Primecap Management Group Ltd.</i>	47,710	less than 1	47,710	0	0
<i>Fructose Ltd</i>	111,832	less than 1	111,832	0	0
<i>GPS America Fund Ltd.</i>	78,281	less than 1	78,281	0	0
<i>J.P. Carey Securities</i>	136,000	less than 1	136,000	0	0
<i>Jack Augsback & Assoc.</i>	40,000	less than 1	40,000	0	0
<i>LaRocque Trading Group L.L.C</i>	197,382	1.4	197,382	0	0
<i>Silenus, Ltd.</i>	182,745	1.3	182,745	0	0
<i>Excalibur Ltd. P'ship.</i>	231,477	1.6	231,477	0	0
<i>Executive Officers and Directors as a group (3)persons</i>	5,571,834	39.2	0	5,571,834	39.2

(1) The figures represented by this table assume full conversion and exercise of Convertible Preferred Stock and Warrants owned by each individual or entity.

The Selling Shareholders have advised the Company that sales of the Selling Shareholder shares may be effected from time to time in transactions (which may include block transactions) in the over-the-counter market, in negotiated transactions, or a combination of such methods of sale, at fixed prices which may be changed, at market prices prevailing at a time of sale, or at negotiated prices. The Selling Shareholders may effect such transactions by selling shares directly to purchasers or through broker dealers who may act as agents or principals. The Selling Shareholders have been advised that they may only effect sales of the Selling Shareholder shares in certain jurisdictions through broker-dealers registered in those states. Such broker-dealers may receive compensation in the form of discounts, concession or commission from the Selling Shareholders and/or the purchasers of Selling Shareholder shares for whom such broker-dealers may act as agents or to whom they sell as principals, or both (which compensation as to a particular broker-dealer might be in excess of customary commissions). The Selling Shareholders and any broker-dealers that act in connection with the sale of the Selling Shareholder shares may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act and any commission received by them and any profit on the resale of the Selling Shareholder shares as principals might be deemed to be underwriting discounts and commissions under the Securities Act. The Selling Shareholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the Selling Shareholder shares against certain liabilities, including liabilities arising under the Securities Act.

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DESCRIPTION OF SECURITIES

CAPITAL STOCK

The Company's authorized capital stock consists of 10,000,000 shares of Preferred Stock, issuable in one or more series and 50,000,000 shares of Common Stock. The par value of each of said shares is \$.0001. As of May 22, 1998 12,752,805 shares of Common Stock and 51 shares of Series A Convertible Preferred Stock and 64 shares of Series B Convertible Preferred Stock are outstanding.

PREFERRED STOCK

The Board of Directors of the Company is authorized to issue, without further stockholder approval, up to 10,000,000 shares of Preferred Stock from time to time in one or more series and to fix such designations, powers, preferences and relative voting, distribution, dividend, liquidation, transfer, redemption, conversion and other rights, preferences, qualifications, limitations or restrictions thereon. Any such Preferred Stock could have priority over Common Stock as to dividends and as to the distribution of the Company's assets upon any liquidation, dissolution or winding up of the Company. Subject to the adjustment provisions of the securities, the Series A Convertible Preferred Stock is convertible into Common Stock at \$2.19 per share and the Series B Convertible Preferred Stock at \$1.7928 per share.

COMMON STOCK

There are no preemptive, subscription, conversion or redemption rights pertaining to the Common Stock. The absence of preemptive rights could result in a dilution of the interest of existing shareholders should additional shares of Common Stock be issued. Holders of the Common Stock are entitled to receive such dividends as may be declared by the Board of Directors out of assets legally available therefor, and to share ratably in the assets of the Company available upon liquidation.

Each share of Common Stock is entitled to one vote for all purposes and cumulative voting is not permitted in the election of directors. Accordingly, the holders of more than 50% of all of the outstanding shares of Common Stock can elect all of the directors. Significant corporate transactions such as amendments to the articles of incorporation, mergers, sales of assets and dissolution or liquidation require approval by the affirmative vote of the majority of the outstanding shares of Common Stock. Other matters to be voted upon by the holders of Common Stock normally require the affirmative vote of a majority of the shares present at the particular shareholders' meeting. The Company's directors and officers as a group beneficially own approximately 39% of the outstanding Common Stock of the Company. See "Principal and Selling Shareholders." Accordingly, such persons will continue to be able to

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substantially control the Company's affairs, including, without limitation, the sale of equity or debt securities of the Company, the appointment of officers, the determination of officers' compensation and the determination whether to cause a registration statement to be filed.

The rights of holders of the shares of Common Stock may become subject in the future to prior and superior rights and preferences in the event the Board of Directors establishes one or more additional classes of Common Stock, or one or more additional series of Preferred Stock.

WARRANTS

In connection with the private placement by J.P. Carey Securities, Inc. ("Carey") of 51 shares of the Company's Series A Convertible Preferred Stock on March 20, 1998, Carey received warrants to purchase 102,000 shares of the Company's Common Stock, subject to adjustment. The warrants are exercisable at \$1.49 per share and expire on March 20, 2003.

In connection with the private placements by Carey of 64 shares of the Company's Series B Convertible Preferred Stock in May, 1998, Carey received warrants to purchase 28,000 shares of the Company's Common Stock, and its designees, 126,000 warrants, subject to adjustment. The warrants are exercisable at \$1.79 per share; 120,000 warrants expire on May 5, 2003 and 34,000 on May 22, 1998.

The Warrant Agreement provides for adjustment of the exercise price and the number of shares of Common Stock purchasable upon exercise of the Warrants to protect Warrant holders against dilution in certain events, including stock dividends, stock splits, reclassification, and any combination of Common Stock, or the merger, consolidation, or disposition of substantially all the assets of

the Company.

The Company has agreed to "piggy-back" registration rights for the securities underlying the Warrants at the Company's expense during the during the five years following the issuance of the Warrants. In addition, at any time commencing 90 days after the issuance of the warrants, the Company has agreed to register the securities underlying the Warrants at the Company's expense upon notice from the holders.

Wall Street Management Group, Inc. holds 5 year options to acquire 61,350 restricted shares of the Company's Common Stock at a price of \$1.63 per share. See "Certain Transactions."

In connection with a Regulation D 504 offering completed in November, 1996, the Company sold 6,000,000 shares of Common Stock and Warrants to purchase an additional 2,000,000 shares at \$1.00 per share. As of the date of this Prospectus 1,060,000 Warrants remain unexercised.

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SHARES ELIGIBLE FOR FUTURE SALE

As of April 30, 1998 (assuming no exercise of options or warrants after April 30, 1998 except for the underlying shares being registered on behalf of the Selling Shareholders), there will be 14,212,163 shares of Common Stock outstanding. Of these, including the shares sold in this Offering, 8,511,324 are freely tradable without restriction under the Securities Act. The remaining 5,665,839 shares of Common Stock will be "restricted securities" as that term is defined in Rule 144 ("Restricted Shares") of the Securities Act. Restricted Shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 of the Securities Act. Beginning 90 days after the date of this Prospectus, approximately 275,000 shares will become eligible for sale in compliance with Rule 144. As of April 30, 1998, options warrants to purchase 61,350 shares of Common Stock were outstanding. In addition, holders of warrants (expiring in November 1998) to purchase 1,060,000 shares, should they exercise the warrants, would receive shares which would be freely tradable without restriction. See "Warrants."

In general, under Rule 144 as currently in effect, any person (or persons whose shares are aggregated) including persons deemed to be affiliates, whose restricted securities have been fully paid for and held for at least one year from the later of the date of issuance by the Company or acquisition from an affiliate, may sell such securities in broker's transactions or directly to market makers, provided that the number of shares sold in any three month period may not exceed the greater of 1% of the then-outstanding shares of Common Stock or the average weekly trading volume of the shares of Common Stock in the over-the-counter market during the four calendar weeks preceding the sale. Sales under Rule 144 are also subject to certain notice requirements and the availability of current public information about the Company. After two years have elapsed from the later of the issuance of restricted securities by the Company or their acquisition from an affiliate, such securities may be sold without limitation by persons who are not affiliates under the rule.

Shares of substantial amount of Common Stock in the public amount, or the perception that such sales could occur, could adversely affect prevailing market prices of the Common Stock and could impair the Company's future ability to raise capital through an offering of its equity securities.

DELAWARE ANTI-TAKEOVER LAW

The Delaware General Corporation Law contains certain anti-takeover provisions. Section 203 of the Delaware General Corporation Law provides, with certain exceptions, that a Delaware corporation may not engage in any broad range of business combinations with a person who owns 15% or more of the corporation's outstanding voting stock (an "interested stockholder") for a period of three years from the date that such person became an interested stockholder unless: (i) the transaction resulting in a person's becoming an interested stockholder, or the business combination is approved by the board of directors of the corporation before the person becomes an interested

stockholder, (ii) the interested stockholder acquires 85% or more of the

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outstanding voting stock of the corporation (excluding shares owned by persons who are both officers and directors of the corporation, and shares held by certain employee stock ownership plans); or (iii) the business combination is approved by the corporation's board of directors of at least 66 2/3% of corporation's outstanding voting stock at an annual meeting or special meeting, excluding shares owned by the interested stockholder.

TRANSFER AGENT AND REGISTRAR

Signature Transfer, Inc. Dallas, Texas, is the transfer agent and registrar for the Common Stock of the Company.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for the Company by Beckman, Millman and Sanders, L.L.P. a Professional Limited Liability Partnership, New York, New York. Members of the firm of Beckman, Millman & Sanders own 15,000 shares of the Common Stock of the Company.

EXPERTS

The financial statements for the periods ended December 31, 1996 and 1997 included herein have been audited by Robison, Hill & Co., Certified Public Accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

ADDITIONAL INFORMATION

The Company is a reporting company under the Securities Exchange Act of 1934, as amended. The Company has filed with the Washington, D.C. Office of the Securities and Exchange Commission (the "Commission") a Registration Statement on Form SB-2 under the Act with respect to the Common Stock offered hereby. This Prospectus filed as a part of the Registration Statement does not contain all of the information contained in the Registration Statement and the exhibits thereto, certain portions of which have been omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the securities offered hereby, reference is made to such Registration Statement including the exhibits and schedules thereto. Statements contained in this Prospectus as to the contents of any contract, agreement or other documents are not necessarily complete, and in each instance, reference is made to such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. The Registration Statement and exhibits may be inspected without charge and copied at the Washington office of the Commission, 450 Fifth Street, N.W., Washington, DC 20549, and copies of such material may be obtained at prescribed rates from the Commission's Public Reference Section at the same address.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
Eat At Joe's Ltd.

We have audited the accompanying consolidated balance sheets of Eat At Joe's Ltd., and subsidiaries (a Delaware corporation and formerly a development stage enterprise) as of December 31, 1997, and 1996 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Eat At Joe's Ltd., and subsidiaries (Formerly a development stage enterprise) as of December 31, 1997, and 1996, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Respectfully submitted,

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

Salt Lake City, Utah
March 23, 1998

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EAT AT JOE'S LTD., AND SUBSIDIARIES
(Formerly a development stage enterprise)
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1997 AND 1996

	1997	1996
	-----	-----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 232,601	\$ 35,016
Receivables	--	70,000
Inventory	7,488	--
Other	400	--
Prepaid expense	30,993	3,975
Deposits	12,701	10,991
	-----	-----
Total Current Assets	284,183	119,982
	-----	-----

Property and equipment:

Equipment	279,667	--
Office furniture	1,000	--
Leasehold improvements	665,643	12,495
	-----	-----
	946,310	12,495
Less accumulated depreciation	(11,546)	--
	-----	-----
	934,764	12,495
	-----	-----
Other Assets:		
Intangible and other assets net of \$2,150 amortization in 1997	234,569	158,595
Deferred development costs	861,456	--
	-----	-----
Total Other Assets	1,096,025	158,595
	-----	-----
Total Assets	\$ 2,314,972	\$291,072
	=====	=====

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EAT AT JOE'S LTD., AND SUBSIDIARIES
(Formerly a development stage enterprise)
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1997 AND 1996
(Continued)

	1997	1996
	-----	-----
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 347,295	\$ 7,235
Short-term notes payable	304,940	--
Shareholders loans	702,922	12,500
	-----	-----
Total Liabilities	1,355,157	19,735
	-----	-----
STOCKHOLDERS EQUITY		
Preferred stock - \$0.0001 par value 10,000,000 shares authorized; none issued and outstanding	--	--
Common Stock - \$0.0001 par value 50,000,000 shares Authorized 12,733,805 and 11,833,805 issued and Outstanding, respectively	1,273	1,183
Additional paid-in capital	2,244,299	1,344,389
Retained deficit	(1,285,757)	(1,074,235)
	-----	-----

Total Stockholders' Equity	959,815	271,337
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,314,972	\$ 291,072
	=====	=====

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

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EAT AT JOE'S LTD., AND SUBSIDIARIES
(Formerly a development stage enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1997, AND 1996

	1997	1996
	-----	-----
Revenues	\$ 84,781	\$ --
Cost of revenues	56,855	--
	-----	-----
Gross Margin	27,926	--
Expenses		
General and administrative	235,144	14,762
	-----	-----
Net loss from continuing operations	(207,218)	(14,762)
	-----	-----
Other Income (Expense)		
Interest income	3,759	--
Interest expense	(7,311)	(3,938)
Loss on sale of assets	(752)	--
	-----	-----
Net Other Income (Expense)	(4,304)	(3,938)
	-----	-----
Net loss before income taxes	(211,522)	(18,700)
Income tax expense (benefit)	--	--
	-----	-----
Net Loss	\$ (211,522)	\$ (18,700)
	=====	=====
Basic Loss Per Common Share:	\$ (.02)	\$ --
	=====	=====

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

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1997, AND 1996

	Common Stock ----- Shares Amount -----	Additional Paid-in Capital -----	Retained Deficit -----	
Balances at January 1, 1996 ...	314,350	\$ 31	\$1,055,504	\$(1,055,535)
Adjustment in connection with pooling of interests	5,505,000	550	219,037	--
	-----	-----	-----	-----
Balances at January 1, 1996, as restated	5,819,350	581	1,274,991	(1,055,535)
May 1996, shares issued to Company for cash	14,455	2	9,998	--
November 1996, shares issued in Reg D-504 offering	6,000,000	600	59,400	--
Net loss for the year	--	--	--	(18,700)
	-----	-----	-----	-----
Balances at December 31, 1996 .	11,833,805	1,183	1,344,389	(1,074,235)
March 1997, shares issued on exercise of warrants	400,000	40	399,960	--
April 1997, shares issued on exercise of warrants	300,000	30	299,970	--
November 1997 shares issued on exercise of warrants	200,000	20	199,980	--
Net loss for the year	--	--	--	(211,522)
	-----	-----	-----	-----
Balance at December 31, 1997 ..	\$12,733,805	\$1,273	\$2,244,299	\$(1,285,757)
	=====	=====	=====	=====

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

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1997, AND 1996

	1,997	1,996
	-----	-----
Cash Flows From Operating Activities		
Net loss for the period	\$ (211,522)	\$ (18,700)
Adjustments to reconcile net loss to net cash		
Provided by operating activities		
Loss from sale of marketable securities	752	--
Depreciation	11,546	--
Payment of organization costs	(78,124)	(8,558)
Amortization of organization costs	2,150	--
Decrease (Increase) in Receivables	70,000	--
Increase in inventory	(7,488)	--
Increase in other assets	(400)	--
Increase in prepaid expense	(27,018)	(3,975)
Decrease (increase) in deposits	(1,710)	(10,991)
Increase in accounts payable	340,060	7,235
	-----	-----
Net Cash Provided by (Used in) Operating Activities	98,246	(34,989)
	-----	-----
Cash Flows From Investing Activities		
Payment of deferred development costs	(861,456)	--
Purchase of property and equipment	(933,815)	(12,495)
Proceeds from sale of marketable securities	143,248	--
Purchase of marketable securities	(144,000)	--
	-----	-----
Net Cash Provided by Investing Activities	(1,796,023)	(12,495)
	-----	-----
Cash Flows From Financing Activities		
Issuance of common stock	900,000	70,000
Advances from majority stockholders	690,422	12,500
Proceeds from short-term notes payable	304,940	--
	-----	-----
Net Cash Provided by Financing Activities	1,895,362	82,500
	-----	-----
Increase in Cash	197,585	35,016
Cash at beginning of period	35,016	--
	-----	-----
Cash at End of Period	\$ 232,601	\$ 35,016
	=====	=====

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

	1997	1996
	-----	-----
Supplemental Disclosure of Interest and		
Income Taxes Paid		
Interest paid for the period	\$ --	\$ 3,938
	=====	=====
 Income taxes paid for the period	 \$ --	 \$ --
	=====	=====

Supplemental Disclosure of Non-cash Investing
and Financing Activities

Intangible Assets Acquired with Issuance of

Common stock	\$ 149,832	\$149,832
	=====	=====

Organization Costs Acquired with Issuance

Common stock	\$ 200	\$ 200
	=====	=====

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

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996

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.

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.

Principles of Consolidation

The consolidated financial statements include the accounts of Eat At Joe's, LTD. And its wholly-owned subsidiary, E.A.J. Holding Corporation, a Delaware corporation ("Holding"). Holding includes the accounts of its wholly-owned subsidiaries, 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, and E.A.J. Shoppingtown, Inc., a New York corporation. All significant intercompany accounts and transactions have been eliminated.

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

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

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.

Depreciation

Office furniture, equipment and leasehold improvements, are stated at cost. Depreciation and amortization are computed using the straight-lin method over the estimated economic useful lives of the related assets as follows:

Office furniture	5-10 years
Equipment	5-7 years
Leasehold improvements	20-39 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

Organization costs are amortized over a sixty month period. Intangible assets are amortized over useful life of 15 years.

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

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

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.

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.

Reverse Stock Split

Effective May 3, 1997 the Stockholders approved a 50 to 1 reverse split of the common stock and effective October 7, 1997 the Stockholders approved a 4 to 1 reverse split. The financial statements have been retroactively restated to reflect the reverse stock split as if it had been effective prior to the earliest date presented.

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

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

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

In 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share" (EPS). SFAS No. 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. The application of SFAS No. 128 had no effect of the earnings per share for 1996 as previously reported.

Diluted net income per common share was calculated based on an increased number of shares that would be outstanding assuming that the 1,100,000 warrants are converted to 1,100,000 common shares. The effect of outstanding common stock equivalents are antidilutive for 1997 and 1996 and are thus not considered.

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

<TABLE>

<CAPTION>

	For the Year Ended 1997			For the Year Ended 1996		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Basic EPS						
Income available to common shareholders	\$ (211,522)	11,729,107	\$ (.02)	\$ (18,700)	6,535,247	\$ --
	=====	=====	=====	=====	=====	=====

</TABLE>

EAT AT JOE'S LTD. AND SUBSIDIARIES
 (Formerly a development stage company)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 1997, AND 1996
 (Continued)

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

Reclassifications

Certain reclassifications have been made in the 1996 financial statements to conform with the 1997 presentation.

NOTE 2 - INCOME TAXES

Deferred taxes result from temporary differences in the recognition of income and expenses for income tax reporting and financial statement reporting purposes. Deferred benefits of \$71,000 and \$4,000 for the years ended December 31, 1997 and 1996 respectively, are the result of net operating losses and the gaming license rights reserve.

The Company has recorded net deferred income taxes in the accompany consolidated balance sheets as follows:

	As at December 31,	
	1997	1996
Future deductible temporary differences related to Reserves, accruals, and net operating losses	\$ 387,000	\$ 341,000

Valuation allowance	(387,000)	(341,000)
	-----	-----
Net Deferred Income Tax	\$ -	\$ -
	=====	=====

As of December 31, 1997, the Company had a net operating loss ("NOL") carry forward for income tax reporting purposes of approximately \$1,141,000 available to offset future taxable income. This net operating loss carry forward expires at various dates between December 31, 2003 and 2012. 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 \$387,000 as of December 31, 1997. Also consistent with SFAS No. 109, an allocation of the income (provision) benefit has been made to the loss from continuing operations.

The difference between the effective income tax rate and the federal statutory income tax rate on the loss from continuing operations are presented below:

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

NOTE 2 - INCOME TAXES (Continued)

	As at December 31,	
	1997	1996
	-----	-----
Benefit at the federal statutory rate of 34%	\$ 71,000	\$ 4,000
Nondeductible expenses	(1,000)	--
Utilization of net operating loss carryforward	(70,000)	(4,000)
	-----	-----
	\$ -	\$ -
	=====	=====

NOTE 3 - PURCHASE OF SUBSIDIARIES

On February 14, 1997 the shareholders of the Company approved an agreement whereby 5,505,000 shares of the Company's common stock was exchanged for a 100% interest in E.A.J. Holding Corporation, Inc. ("Holding"), a Delaware corporation. Holding, which was organized on February 14, 1997, had total assets with a historical cost value of \$150,037, consisting of the Eat at Joe's trade mark, business plan, graphics, illustrations/renderings, corporate brochure and website with a historical value of \$149,837, organization costs of \$200 and no liabilities on the date of the exchange.

During March, 1997 Holding acquired 100% of the issued and outstanding stock of E.A.J.: PHL, Airport Inc. ("PHL Airport"), a Pennsylvania corporation organized August 19, 1996 for \$25,000. At the time of the acquisition PHL Airport had assets with a historical cost value of \$37,500, consisting of developmental costs and organizational costs and liabilities of \$12,500.

These transactions have been accounted for as a reorganization of ownership interests between related parties as if it were a "Pooling of Interest." Accordingly, assets and liabilities are reflected at their historical values. The accompanying financial statements for 1997 are based on the assumption that the companies were combined for the full year, and the financial statements of 1996 have been restated to give effect to the combination.

Following is a reconciliation of the amounts of net sales and net income

previously reported for 1996 with restated amounts:

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EAT AT JOE'S LTD. AND SUBSIDIARIES
 (Formerly a development stage company)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 1997, AND 1996
 (Continued)

NOTE 3 - PURCHASE OF SUBSIDIARIES (continued)

	Year Ended December 31, 1996
Revenues:	
As previously reported	\$ --
Acquired companies	--

As restated	\$ --
	=====
Net Loss:	
As previously reported	\$13,288
Acquired companies	5,412

As restated	\$18,700
	=====

NOTE 4 - 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
1998	\$ 298,320	\$ -
1999	298,320	-
2000	298,320	-
2001	298,320	-
2002	298,320	-
	-----	-----
Total minimum future lease payments	\$1,491,600	\$ -
	=====	=====

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.

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

NOTE 5 - RELATED PARTY TRANSACTIONS

The Company utilized office space that is shared with companies controlled by two officers of the Company. During 1997 Cozco Management received \$546,574 as reimbursement for rent, telephone, equipment, travel, automotive salaries and other shared expenses. During 1997 the two officers and/or companies controlled by the two officers paid expenses and made advances to the Company totaling \$702,922.

NOTE 6 - PRIVATE PLACEMENT OF COMMON STOCK

On November 11, 1996 the Company completed a Regulation D section 504 private placement whereby the Company issued 600,000 common shares for \$60,000. Each share included detachable warrants to purchase one common share at \$1.00 per share.

NOTE 7 - SELECTED FINANCIAL DATA (Unaudited)

The following table set forth certain unaudited quarterly financial information:

	1997 Quarters Ended			
	Mar 31	Jun 30	Sep 30	Dec 31
<i>Income statement data:</i>				
Net sales	\$ --	\$ --	\$ --	\$ 84,781
Gross profit	--	--	--	27,926
Income (loss) from operations	(38,858)	(130,171)	(47,096)	8,907
Other income	6	1,926	1,075	(7,311)
Income (loss) before tax	(38,852)	(128,245)	(46,021)	1,596
Income tax (provision) benefit	--	--	--	--
Net Income (Loss)	\$ (38,852)	\$ (128,245)	\$ (46,021)	\$ 1,596

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EAT AT JOE'S LTD. AND SUBSIDIARIES
(Formerly a development stage company)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997, AND 1996
(Continued)

NOTE 7 - SELECTED FINANCIAL DATA (Unaudited) (continued)

	1996 Quarters Ended			
	Mar 31	Jun 30	Sep 30	Dec 31
<i>Income statement data:</i>				
Net sales	\$ --	\$ --	\$ --	\$ --

Gross profit	--	--	--	--
Income (loss) from operations	(10,000)	--	--	(4,762)
Other income	--	--	--	(3,938)
Income (loss) before tax	(10,000)	--	--	(8,700)
Income tax (provision) benefit	--	--	--	--
Net Income (Loss)	\$ (10,000)	\$ --	\$ --	\$ (8,700)

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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UNTIL _____, 1998 (25 DAYS AFTER THE DATE OF THE PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS.

EAT AT JOE'S, LTD.

EAT AT JOE'S LOGO

_____ SHARES

PROSPECTUS

_____, 1998

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

See "Management - Personal Liability and Indemnification of Directors."

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses in connection with the distribution of the shares registered hereby, are set forth in the following table:

SEC registration fee.....	\$ 2,500
Legal fees and expenses.....	50,000
Accounting fees and expenses.....	17,500
Blue Sky fees and expenses.....	7,500

Transfer agent fees and expenses.....	1,000
Printing and engraving expenses.....	2,000
Miscellaneous.....	2,000

Total.....	\$82,500

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

In November 1996, the Company raised \$60,000 through the issuance 600,000 shares of its Common Stock and warrants to acquire 2,000,000 shares at an excise price of \$1.00 per share. The offering was exempt from registration pursuant to Regulation D Section 504. In 1997, 940,000 warrants were exercised against payment of \$940,000.

In January, 1997 the shareholders of the Company adopted an agreement whereby 5,505,000 shares of the Company's Common Stock was exchanged for a 100% interest in E.A.J. Holding Corporation, Inc. Messrs. Joseph Fiore and Andrew

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Cosenza, Jr., the Company's Chairman and President, were the owners of all the outstanding shares of E.A.J. Holding Corporation, Inc. The Company issued its shares upon an exemption from registration under Section 4(2) of the Securities Act.

In March, 1998, the Company sold 51 shares of its Series A Convertible Preferred Stock to a total of 8 accredited investors pursuant to an exemption from registration under the Section 4(2) and/or Regulation D or as an alternative, Regulation S of the Act. The Company received proceeds of approximately \$797,000 from the sale of the securities. As of the date of this prospectus the shares are convertible into _____ shares of Common Stock of the Company.

On May 5 1998, the Company sold 30 shares of its Series B Convertible Preferred Stock to a total of 3 accredited investors pursuant to an exemption from registration under the Section 4(2) and/or Regulation D. The Company received proceeds of approximately \$484,000 from the sale of the securities. As of the date of this prospectus the shares are convertible into _____ shares of Common Stock of the Company.

On May 21, 1998, the Company sold 34 shares of its Series B Convertible Preferred Stock to a total of 2 accredited investors pursuant to an exemption from registration under the Section 4(2) and/or Regulation D. The Company received proceeds of approximately \$549,000 from the sale of the securities. As of the date of this prospectus the shares are convertible into _____ shares of Common Stock of the Company.

INDEX TO EXHIBITS

ITEM 27. EXHIBITS.

PAGE	DESCRIPTION OF EXHIBIT
EXHIBIT NO.	
3.1	Articles of Incorporation(1)
3.2	By-laws(1)
4.1	Certificate of Designations-Series A Convertible Preferred Stock
4.2	Certificate of Designations-Series B Convertible Preferred Stock
4.3	Form of Warrant Agreement
5.1	Opinion of Beckman, Millman & Sanders, L.L.P. *
10.1	Consulting Agreement-Wall Street Group, Ltd. *
10.2	Indenture of Lease between University of Pennsylvania and Eat at Joe's U. of P., Inc. *
10.3	Lease Abstract between Cherry Hill Center, Inc. and Eat at Joe's Cherry Hill, Inc. *
10.4	Lease Abstract between Echelon Mall, Inc. and E.A.J. Echelon

Mall, Inc. *

- 10.5 Lease Information Form between E.A.J. PHL, Airport, Inc. and Marketplace Redwood Limited Partnership *
- 10.6 Lease Abstract between Eat at Joe's U. of P., Inc. and UCA Realty Group, Inc. *

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- 10.7 Lease Abstract between Rouse Philadelphia, Inc. and Eat at Joe's Gallery, Inc. *
- 10.8 Lease Information Form between E.A.J. Enterprises, Inc. and First Fidelity Bank, N.A.*
- 10.9 Lease Abstract between Eat at Joe's Harbor Place, Inc. and Baltimore Center, Inc. *
- 10.10 Lease Abstract between E.A.J. Shoppington, Inc. and Wilmorite, Inc. *
- 10.11 Lease Abstract between Eat at Joe's Neshaminy, Inc. and General Growth Properties, Inc. *
- 10.12 Lease Abstract between Eat at Joe's Plymouth Incorporate and Plymouth Meeting, Inc. *
- 10.13 Lease Abstract between E.A.J. Danbury, Inc. and Wilmorite, Inc.*
- 10.14 Registration of trade name for Eat at Joe's *
- 21 Subsidiaries of the Company.
- 23.1 Consent of Robison, Hill & Co. *
- 24.2 Consent of Beckman, Millman & Sanders, L.L.P. (included in Exhibit 5).*
- 27.1 Financial Data Schedule

(1) Previously filed.

* To be filed by Amendment

ITEM 28. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the small business issuer of expenses incurred or paid by a director, officer or controlling person of the small business issuer in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the small business issuer will, precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned small business issuer hereby undertakes that it will:

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to (i) include any prospectus required by Section 10(a)(3) of the Securities Act; (ii) reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and (iii) include any additional or changed material information on the plan of distribution.

(2) For determining any liability under the Securities Act, treat the

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information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the small business issuer under Rule 424(b)(1) or (4) or Rule 497(h) under the Securities Act as part of this registration statement as of the time the Commission declared it effective.

(3) For determining any liability under the Securities Act, treat each

post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and has authorized this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the Town of Scarsdale, State of New York, on May 22, 1998.

EAT AT JOE'S, LTD

By /s/ Joseph Fiore

Joseph Fiore
Chairman of the Board and
Chief Executive Officer

In accordance with the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates stated.

<i>SIGNATURE</i>	<i>TITLE</i>	<i>DATE</i>
/s/ JOSEPH FIORE	Chairman of the Board and Chief Executive Officer	May 22, 1998
----- Joseph Fiore		
/s/ ANDREW COSENZA, JR.	President	May 22, 1998
----- Andrew Cosenza, Jr.		
/s/ JAMES MYLOCK	Director	May 22, 1998
----- James Mylock		

WARRANT AGREEMENT

WARRANT AGREEMENT dated as of May _____, 1998, between Eat At Joe's, Ltd., a Delaware corporation (the "Company"), and J.P. Carey Securities, Inc., a Georgia corporation (hereinafter referred to as "J.P. Carey").

W I T N E S S E T H:

WHEREAS, J.P. Carey has assisted the Company in connection with the Company's offering (the "Offering") of up to \$3,000,000 in principal amount of Series A and Series B Preferred Stock (the "Preferred Stock") for an aggregate purchase price \$3,000,000; and

WHEREAS, the Warrants issued pursuant to this Agreement are being issued by the Company to J.P. Carey and/or its designees, in consideration for, and as part of the compensation to be paid in connection with, the services of J.P. Carey in connection with the Offering;

NOW, THEREFORE, in consideration of the premises, the agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant.

J.P. Carey and/or its designees are hereby granted the right to purchase, at any time from the date of issuance of the aforementioned Preferred Stock until 5:00 P.M., Eastern Standard Time, on May _____, 2003 (the "Warrant Exercise Term"), _____ Shares at an exercise price (subject to adjustment as provided in Article 7 hereof) of 100% of the Closing Bid Price (as defined in the Company's Certificate of Designations, Preferences and Rights filed by the Company in connection with the Offering) of the Company's Common Stock, par value \$0.001 per share on the last business day immediately prior to the date of closing of the Offering, which is equal to \$_____ per share (the "Initial Exercise Price").

2. Warrant Certificates.

The warrant certificates (the "Warrant Certificates") delivered and to be delivered pursuant to this Agreement shall be in the form set forth as Exhibit A, attached hereto and made a part hereof, with such appropriate insertions, omissions, substitutions and other variations as required or permitted by this Agreement.

3. Exercise of Warrants.

3.1 Cash Exercise. The Exercise Price may be paid in cash or by check to the order of ----- the Company, or any combination of cash or check, subject to adjustment as provided in Article 7 hereof. Upon surrender of the Warrant Certificate with the annexed Form of Election to Purchase duly executed, together with payment of the Exercise Price (as hereinafter defined) for the Shares purchased, at the Company's executive offices currently located at 670 White Plains Road, Suite 118, Scarsdale, New York 10583, the registered holder of a Warrant Certificate ("Holder" or "Holders") shall be entitled to receive a certificate or certificates for the Shares so purchased. The purchase rights represented by each Warrant Certificate are exercisable at the option of the Holder hereof, in whole or in part (but not as to fractional shares of the Common Stock). In the case of the purchase of less than all the Shares purchasable under any Warrant

Certificate, the Company shall cancel said Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate of like tenor for the balance of the Shares purchasable thereunder.

3.2 *Cashless Exercise.* At any time during the Warrant Exercise Term, the Holder may, at its option, exchange this Warrant, in whole or in part (a "Warrant Exchange"), into the number of Shares determined in accordance with this Section 3.2, by surrendering this Warrant at the principal office of the company or at the office of its transfer agent, accompanied by a notice stating such Holder's intent to effect such exchange, the number of Shares to be exchanged and the date on which the Holder requests that such Warrant Exchange occur (the "Notice of Exchange"). The Warrant Exchange shall take place on the date specified in the Notice of Exchange or, if later, the date the Notice of Exchange is received by the Company (the "Exchange Date"). Certificates for the Shares issuable upon such Warrant Exchange and, if applicable, a new warrant of like tenor evidencing the balance of the Shares remaining subject to this Warrant, shall be issued as of the Exchange Date and delivered to the Holder within seven (7) business days following the Exchange Date. In connection with any Warrant Exchange, this Warrant shall represent the right to subscribe for and acquire the number of Shares (rounded to the next highest integer) equal to (i) the number of Shares specified by the Holder in its Notice of Exchange (the "Total Number") less (ii) the number of Shares equal to the quotient obtained by dividing (A) the product of the Total Number and the then existing Exercise Price by (B) the current market value of a share of Common Stock.

4. Issuance of Certificates.

Upon the exercise of the Warrants, the issuance of certificates for the Shares shall be made forthwith (and in any event within five business days thereafter) without charge to the Holder thereof including, without limitation, any tax which may be payable in respect of the issuance thereof, and such certificates shall be issued in the name of, or in such names as may be directed by, the Holder thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificates in a name other than that of the Holder and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to satisfaction of the Company that such tax has been paid.

The Warrant Certificates and the certificates representing the Shares shall be executed on behalf of the Company by the manual or facsimile signature of the present or any future Chairman or Vice Chairman of the Board of Directors, Chief Executive officer or President or Vice President of the Company under its corporate seal reproduced thereon, attested to by the manual or facsimile signature of the present or any future Secretary or Assistant Secretary of the Company. Warrant Certificates shall be dated the date of execution by the Company upon initial issuance, division, exchange, substitution or transfer.

The Warrant Certificates and, upon exercise of the Warrants, in part or in whole, certificates representing the Shares shall bear a legend substantially similar to the following:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be offered or sold except (i) pursuant to an effective registration statement under the Act, (ii) to the extent applicable, pursuant to Rule 144 under the Act (or any similar rule under such Act relating to the disposition of securities), or (iii) upon the delivery by the holder to the Company of an opinion of counsel, reasonably

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satisfactory to counsel to the issuer, stating that an exemption from registration under such Act is available.

5. Price.

5.1 *Adjusted Exercise Price.* The adjusted Exercise Price shall be the price which shall result from time to time from any and all adjustments of the Initial Exercise Price in accordance with the provisions of Article 7 hereof.

5.2 *Exercise Price.* The term "Exercise Price" herein shall mean the Initial Exercise Price or the adjusted Exercise Price, depending upon the context.

6. Registration Rights.

6.1 Registration Under the Securities Act of 1993.

The Warrants and the Shares have not been registered for purposes of public distribution under the Securities Act of 1933, as amended ("the Act").

6.2 Registrable Securities. As used herein the term "Registrable Security" means each of the Warrants, the Shares and any shares of Common Stock issued upon any stock split or stock dividend in respect of such Shares; provided, however, that with respect to any particular Registrable Security, such security shall cease to be a Registrable Security when, as of the date of determination, (i) it has been effectively registered under the Securities Act and disposed of pursuant thereto, (ii) registration under the Securities Act is no longer required for the immediate public distribution of such security or (iii) it has ceased to be outstanding. The term "Registrable Securities" means any and/or all of the securities falling within the foregoing definition of a "Registrable Security." In the event of any merger, reorganization, consolidation, recapitalization or other change in corporate structure affecting the Common Stock, such adjustment shall be made in the definition of "Registrable Security" as is appropriate in order to prevent any dilution or enlargement of the rights granted pursuant to this Article 6.

6.3 Piggyback Registration. If, at any time during the five years following the date of this Agreement, the Company proposes to prepare and file any registration statement or post-effective amendments thereto covering equity or debt securities of the Company, or any such securities of the Company held by its shareholders (in any such case, other than in connection with a merger, acquisition or pursuant to Form S-8 or successor form), (for purposes of this Article 6, collectively, a "Registration Statement"), it will give written notice of its intention to do so by registered mail ("Notice"), at ten (10) business days prior to the filing of each such Registration Statement, to all holders of the Registrable Securities. Upon the written request of such a holder (a "Requesting Holder"), made within ten (10) business days after receipt of the Notice, that the Company include any of the Requesting Holder's Registrable Securities in the proposed Registration Statement, the Company shall, as to each such Requesting Holder, use its best efforts to effect the registration under the Securities Act of the Registrable Securities which it has been so requested to register ("Piggyback Registration"), at the Company's sole cost and expense and at no cost or expense to the Requesting Holders; Notwithstanding the provisions of this Section 6.3, the Company shall have the right at any time after it shall have given written notice pursuant to this Section 6.3 (irrespective of whether any written request for inclusion of such securities shall have already been made) to elect not to file any such proposed Registration Statement, or to withdraw the same after the filing but prior to the effective date thereof.

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6.4 Demand Registration.

(a) At any time, commencing ninety (90) days from the date of this Agreement and during the Warrant Exercise Term, any "Majority Holder" (as such term is defined in Section 6.4(d) below) of the Registrable Securities shall have the right (which right is in addition to the piggyback registration rights provided for under Section 6.3 hereof), exercisable by written notice to the Company (the "Demand Registration Request"), to have the Company prepare and file with the Securities and Exchange Commission (the "Commission"), on one occasion, at the sole expense of the Company, a Registration Statement and such other documents, including a prospectus, as may be necessary (in the opinion of both counsel for the Company and counsel for such Majority Holder), in order to comply with the provisions of the Act, so as to permit a public offering and sale of the Registrable Securities by the holders thereof, for nine (9) consecutive months.

(b) The Company covenants and agrees to give written notice of any Demand Registration Request to all holders of the Registrable Securities within ten (10) days from the date of the Company's receipt of any such Demand Registration Request. After receiving notice from the Company as provided in this Section

6.4(b), holders of Registrable Securities may request the Company to include their Registrable Securities in the Registration Statement to be filed pursuant to Section 6.4(a) hereof by notifying the Company of their decision to include such securities within twenty (20) days of their receipt of the Company's notice.

(c) In addition to the registration rights provided for under Section 6.3 and subsection (a) of this Section 6.4, at any time during the Warrant Exercise Term, any Majority Holder (as defined below in Section 6.4(d)) of Registrable Securities shall have the right, exercisable by written request to the Company, to have the Company prepare and file with the Commission, on one occasion in respect of all holders of Registrable Securities, a Registration Statement so as to permit a public offering and sale of such Registrable Securities for nine (9) consecutive months, provided, however, that all costs incident thereto shall be at the expense of the holders of the Registrable Securities included in such Registration Statement. If a Majority Holder shall give notice to the Company at any time of its or their desire to exercise the registration right granted pursuant to this Section 6.4(c), then within ten (10) days after the Company's receipt of such notice, the Company shall give notice to the other holders of Registrable Securities, advising them that the Company is proceeding with such registration and offering to include therein the Registrable Securities of such holders, provided they furnish the Company with such appropriate information in connection therewith as the Company shall reasonably request in writing.

(d) The term "Majority Holder" as used in this Section 6.4 shall mean any holder or any combination of holders of Registrable Securities, if included in such holders, Registrable Securities are that aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) as would constitute a majority of the aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) included in all of the Registrable Securities.

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6.5 Covenants of the Company With Respect to Registration. The Company covenants and agrees as follows:

(a) In connection with any registration under Section 6.4 hereof, the Company shall file the Registration Statement as expeditiously as possible, but in no event later than twenty (20) business days following receipt of any demand therefor, shall use its best efforts to have any such Registration Statements declared effective at the earliest possible time, and shall furnish each holder of Registrable Securities such number of prospectuses as shall reasonably be requested.

(b) The Company shall pay all costs, fees and expenses (excluding fees of holders for their counsel, transfer taxes and underwriting discounts or commissions) in connection with all Registration Statements filed pursuant to Sections 6.3 and 6.4(a) hereof including, without limitation, the Company's legal and accounting fees, printing expenses, and blue sky fees and expenses. The holders of Registrable Securities included in any Registration Statement filed pursuant to Section 6.4(c) hereof will pay all costs, fees and expenses in connection with such registration.

(c) The Company will take all necessary action which may be required in qualifying or registering the Registrable Securities included in a Registration Statement for offering and sale under the securities or blue sky laws of such states as are requested by the holders of such securities.

(d) The Company shall indemnify any holder of the Registrable Securities to be sold pursuant to any Registration Statement and any underwriter or person deemed to be an underwriter under the Act and each person, if any, who controls such holder or underwriter or person deemed to be an underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such

Registration Statement to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the purchasers of the Company's Preferred Stock contained in the Registration Rights Agreement dated of even date herewith.

(e) Any holder of Registrable Securities to be sold pursuant to a Registration Statement, and its successors and assigns, shall severally, and not jointly, indemnify, the Company, its officers and directors and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against all loss, claim, damage or expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished in writing by or on behalf of such holder, or its successors or assigns, for specific inclusion in such Registration Statement to the same extent and with the same effect as the provisions pursuant to which purchasers of the Company's Preferred Stock have agreed to indemnify the Company contained in the Registration Rights Agreement dated of even date herewith.

(f) Nothing contained in this Agreement shall be construed as requiring any Holder to exercise his Warrants prior to the initial filing of any Registration Statement or the effectiveness thereof.

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(g) If the Company shall fail to comply with the provisions of this Article 6, the Company shall, in addition to any other equitable or other relief available to the holders of Registrable Securities, be liable for any or all incidental, special and consequential damages sustained by the holders of Registrable Securities, requesting registration of their Registrable Securities.

(h) Except as otherwise provided to the contrary herein, the Company shall not permit the inclusion of any securities other than the Registrable Securities to be included in any Registration Statement filed pursuant to Section 6.4 hereof, or permit any other registration statement to be or remain effective during the effectiveness of a Registration Statement filed pursuant to Section 6.4 hereof, without the prior written consent of the Majority Holders, which consent shall not be unreasonably withheld.

(i) The Company shall deliver promptly to each holder of Registrable Securities participating in the offering requesting the correspondence and memoranda described in this Section 6.5(i) and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the Registration Statement and permit each holder of Registrable Securities and underwriters to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such holder of Registrable Securities or underwriter shall reasonably request.

(j) If the Company shall enter into an underwriting agreement with the managing underwriter selected for such underwriting, such agreement shall be satisfactory in form and substance to the Company, each holder of Registrable Securities and such managing underwriter, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter. The holders of Registrable Securities shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriter shall also be made to and for the benefit of such holders of Registrable Securities. Such holders of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriter except as they may relate to such holders of

Registrable Securities and their intended methods of distribution.

7. Adjustments of Exercise Price and Number of Shares.

7.1 Computation of Adjusted Price. Except as hereinafter provided, in case the Company shall at any time after the date hereof issue or sell any shares of Common Stock (other than the issuances or sales referred to in Section 7.6 hereof), including shares held in the Company's treasury and shares of Common Stock issued upon the exercise of any options, rights or warrants to subscribe for shares of Common Stock (other than the issuances or sales of Common Stock pursuant to rights to subscribe for such Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.6 hereof) and shares of Common Stock issued upon the direct or indirect conversion or exchange of securities for shares of Common Stock, for a consideration per share less than the lesser of either the Exercise Price in effect immediately prior to the issuance or sale of such shares or the "Market Price" (as defined in Section 7.1(vi) hereof) per share of Common Stock or without consideration, then forthwith upon

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such issuance or sale, the Exercise Price shall (until another such issuance or sale) be reduced to the price (calculated to the nearest full cent) equal to the price determined by multiplying the Exercise Price in effect immediately prior to such issuance or sale by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such issuance or sale and the number of shares of Common Stock which the amount of all consideration, if any, received by the Company upon such issuance or sale would purchase at the Market Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issuance or sale.

For the purposes of any computation to be made in accordance with this Section 7.1, the following provisions shall be applicable:

(i) In case of the issuance or sale of shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Company for such shares (or, if shares of Common Stock are offered by the Company for subscription, the subscription price, or, if such securities shall be sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price) before deducting therefrom any compensation paid or discount allowed in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services, or any expenses incurred in connection therewith.

(ii) In case of the issuance or sale (otherwise than as a dividend or other distribution on any stock of the Company) of shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as determined in good faith by the Board of Directors of the Company.

(iii) Shares of Common Stock issuable by way of dividend or other distribution on any stock of the Company shall be deemed to have been issued immediately after the opening of business on the day following the record date for the determination of shareholders entitled to receive such dividend or other distribution and shall be deemed to have been issued without consideration.

(iv) The reclassification of securities of the Company other than shares of Common Stock into securities including shares of Common Stock shall be deemed to involve the issuance of such shares of Common Stock for a consideration other than cash immediately prior to the close of business on the date fixed for the determination of security holders entitled to receive such shares, and the value of the consideration allocable to such shares of Common Stock shall be determined as provided in subsection (ii) of this Section 7.1.

(v) The number of shares of Common Stock at any one time outstanding shall include the aggregate number of shares issued or issuable upon the exercise of options, rights, warrants and upon the conversion or exchange of convertible or

exchangeable securities.

(vi) As used herein, the phrase "Market Price, at any date shall be deemed to be the last reported sale price, or, in case no such reported sale takes place on such day, the average of the last reported sale prices for the last three (3) trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading, if the Common Stock is not listed or admitted to trading on any national securities exchange, the closing bid price as furnished by the National Association of Securities Dealers, Inc. through NASDAQ or similar

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organization if NASDAQ is no longer reporting such information, or if the Common Stock is not quoted on NASDAQ, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it for the two (2) days immediately preceding such issuance or sale and the day of such issuance or sale.

7.2 Options, Rights, Warrants and Convertible and Exchangeable Securities. Except in the case of the Company issuing rights to subscribe for shares of Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.8 hereof, if the Company shall at any time after the date hereof issue options, rights or warrants to subscribe for shares of Common Stock, or issue any securities convertible into or exchangeable for shares of Common Stock, (i) for a consideration per share less than (a) the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, or (b) the Market Price, or (ii) without consideration, the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, as the case may be, shall be reduced to a price determined by making a computation in accordance with the provisions of Section 7.1 hereof, provided that:

(a) The aggregate maximum number of shares of Common Stock, as the case may be, issuable under all the outstanding options, rights or warrants shall be deemed to be issued and outstanding at the time all the outstanding options, rights or warrants were issued, and for a consideration equal to the minimum purchase price per share provided for in the options, rights or warrants at the time of issuance, plus the consideration (determined in the same manner as consideration received on the issue or sale of shares in accordance with the terms of the Warrants), if any, received by the Company for the options, rights or warrants, and if no minimum price is provided in the options, rights or warrants, then the consideration shall be equal to zero; provided, however, that upon the expiration or other termination of the options, rights or warrants, if any thereof shall not have been exercised, the number of shares of Common Stock deemed to be issued and outstanding pursuant to this subsection (a) (and for the purposes of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which options, warrants and/or rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to be issued and outstanding, and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of shares actually issued or issuable upon the exercise of those options, rights or warrants as to which the exercise rights shall not have expired or terminated unexercised.

(b) The aggregate maximum number of shares of Common Stock issuable upon conversion or exchange of any convertible or exchangeable securities shall be deemed to be issued and outstanding at the time of issuance of such securities, and for a consideration equal to the consideration (determined in the same manner as consideration received on the issue or sale of shares of Common Stock in accordance with the terms of the Warrants) received by the Company for such securities, plus the minimum consideration, if any, receivable by the Company upon the conversion or exchange thereof; provided, however, that upon the termination of the right to convert or exchange such convertible or exchangeable securities (whether by reason of redemption or otherwise), the number of shares deemed to be issued and outstanding pursuant to this subsection (b) (and for the purpose of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which the conversion or exchange rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to

be issued and outstanding and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of the shares actually

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issued or issuable upon the conversion or exchange of those convertible or exchangeable securities as to which the conversion or exchange rights shall not have expired or terminated unexercised.

(c) If any change shall occur in the price per share provided for in any of the options, rights or warrants referred to in subsection (a) of this Section 7.2, or in the price per share at which the securities referred to in subsection (b) of this Section 7.2 are convertible or exchangeable, the options, rights or warrants or conversion or exchange rights, as the case may be, shall be deemed to have expired or terminated on the date when such price change became effective in respect of shares not theretofore issued pursuant to the exercise or conversion or exchange thereof, and the Company shall be deemed to have issued upon such date new options, rights or warrants or convertible or exchangeable securities at the new price in respect of the number of shares issuable upon the exercise of such options, rights or warrants or the conversion or exchange of such convertible or exchangeable securities.

7.3 Subdivision and Combination. In case the Company shall at any time subdivide or combine the outstanding shares of Common Stock, the Exercise Price shall forthwith be proportionately decreased in the case of subdivision or increased in the case of combination.

7.4 Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Article 7, the number of Shares issuable upon the exercise of each Warrant shall be adjusted to the nearest full Share by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of Shares issuable upon exercise of the Warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

7.5 Reclassification, Consolidation, Merger, etc. In case of any reclassification or change of the outstanding shares of Common Stock (other than a change in par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in the case of any consolidation of the Company with, or merger of the Company into, another corporation (other than a consolidation or merger in which the Company is the surviving corporation and which does not result in any reclassification or change of the outstanding shares of Common Stock, except a change as a result of a subdivision or combination of such shares or a change in par value, as aforesaid), or in the case of a sale or conveyance to another corporation of the property of the Company as an entirety, the Holders shall thereafter have the right to purchase the kind and number of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance as if the Holders were the owners of the shares of Common Stock underlying the Warrants immediately prior to any such events at a price equal to the product of (x) the number of shares issuable upon exercise of the Warrants and (y) the Exercise Price in effect immediately prior to the record date for such reclassification, change, consolidation, merger, sale or conveyance as if such Holders had exercised the Warrants.

7.6 No Adjustment of Exercise Price in Certain Cases. No adjustment of the Exercise Price shall be made:

(a) Upon the issuance or sale of shares of Common Stock upon the exercise of the Warrants; or

(b) Upon (i) the issuance of options pursuant to the Company's employee stock option plan in effect on the date hereof or the issuance or sale by the Company of any shares of Common Stock pursuant to the exercise of any such options, or (ii) the issuance or sale

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by the Company of any shares of Common Stock pursuant to the exercise of any options or warrants previously issued and outstanding on the date hereof; or

(c) Upon the issuance of shares of Common Stock pursuant to contractual obligations existing on the date hereof; or

(d) If the amount of said adjustment shall be less than 2 cents (2(cent)) per Share, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 2 cents (2(cent)) per Share.

7.7 Dividends and Other Distributions with Respect to Outstanding Securities. In the event that the Company shall at any time prior to the exercise of all Warrants declare a dividend (other than a dividend consisting solely of shares of Common Stock or a cash dividend or distribution payable out of current or retained earnings) or otherwise distribute to its shareholders any monies, assets, property, rights, evidences of indebtedness, securities (other than shares of Common Stock), whether issued by the Company or by another person or entity, or any other thing of value, the Holder or Holders of the unexercised Warrants shall thereafter be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise thereof, to receive, upon the exercise of such Warrants, the same monies, property, assets, rights, evidences of indebtedness, securities or any other thing of value that they would have been entitled to receive at the time of such dividend or distribution. At the time of any such dividend or distribution, the Company shall make appropriate reserves to ensure the timely performance of the provisions of this Subsection 7.7.

7.8 Subscription Rights for Shares of Common Stock or Other Securities. In the case the Company or an affiliate of the Company shall at any time after the date hereof and prior to the exercise of all the Warrants issue any rights to subscribe for shares of Common Stock or any other securities of the Company or of such affiliate to all the shareholders of the Company, the Holders of the unexercised Warrants shall be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise of the Warrants, to receive such rights at the time such rights are distributed to the other shareholders of the Company.

8. Exchange and Replacement of Warrant Certificates.

Each Warrant Certificate is exchangeable without expense, upon the surrender hereof by the registered Holder at the principal executive office of the Company, for a new Warrant Certificate of like tenor and date representing in the aggregate the right to purchase the same number of Shares in such denominations as shall be designated by the Holder thereof at the time of such surrender.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Warrants, if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor, in lieu thereof.

9. Elimination of Fractional Interests.

The Company shall not be required to issue certificates representing fractions of shares of Common Stock and shall not be required to issue scrip or pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up to

the nearest whole number of shares of Common Stock.

10. Reservation and Listing of Securities.

The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of the Warrants, such number of shares of Common Stock as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Warrants and payment of the Exercise Price therefor, all shares of Common Stock issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to the preemptive rights of any shareholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon the exercise of the Warrants to be listed on or quoted on the electronic bulletin board, by NASDAQ or listed on such national securities exchanges as requested by the Placement Agent.

11. Notices to Warrant Holders.

Nothing contained in this Agreement shall be construed as conferring upon the Holder or Holders the right to vote or to consent or to receive notice as a shareholder in respect of any meetings of shareholders for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Warrants and their exercise, any of the following events shall occur:

(a) the Company shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of current or retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; or

(b) the Company shall offer to all the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property, assets and business as an entirety shall be proposed;

then, in any one or more of said events, the Company shall give written notice of such event at least fifteen (15) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, convertible or exchangeable securities or subscription rights, options or warrants, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to give such notice or any defect therein shall not affect the validity of

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any action taken in connection with the declaration or payment of any such dividend or distribution, or the issuance of any convertible or exchangeable securities or subscription rights, options or warrants, or any proposed dissolution, liquidation, winding up or sale.

12. Notices.

All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered, or mailed by registered or certified mail, return receipt requested:

(a) If to a registered Holder of the Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in Section 3 of this

Agreement or to such other address as the Company may designate by notice to the Holders.

13. *Supplements and Amendments.*

The Company and the Placement Agent may from time to time supplement or amend this Agreement without the approval of any Holders of Warrant Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Placement Agent may deem necessary or desirable and which the Company and the Placement Agent deem not to adversely affect the interests of the Holders of Warrant Certificates.

14. *Successors.*

All the covenants and provisions of this Agreement by or for the benefit of the Company and the Holders inure to the benefit of their respective successors and assigns hereunder.

15. *Termination.*

This Agreement shall terminate at the close of business on May _____, 2003. Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised and all the Shares issuable upon exercise of the Warrants have been resold to the public; provided, however, that the provisions of Article 6 shall survive such termination until the close of business on May _____, 2003.

16. *Governing Law.*

This Agreement and each Warrant Certificate hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the principles of conflict of laws. Any dispute or controversy between the parties arising in connection with this Agreement or the subject matter contemplated by this Agreement shall be resolved by arbitration before a three-member panel of the American Arbitration Association in accordance with the commercial arbitration rules of said forum and the Federal Arbitration Act, 9 U.S.C. 1 et seq., with the resulting award being final and conclusive. Said arbitrators shall be empowered to award all forms of relief and damages claimed, including, but not limited to, attorney's fees, expenses of litigation and arbitration, exemplary damages, and prejudgment interest. The

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parties further agree that any arbitration action between them shall be heard in Atlanta, Georgia, and expressly consent to the jurisdiction and venue of the Superior Court of Fulton County, Georgia, and the United States District Court for the Northern District of Georgia, Atlanta Division for the adjudication of any civil action asserted pursuant to this Paragraph.

17. *Benefits of This Agreement.*

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Placement Agent and any other registered holder or holders of the Warrant Certificates, Warrants or the Shares any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole and exclusive benefit of the Company and the Placement Agent and any other holder or holders of the Warrant Certificates, Warrants or the Shares.

18. *Counterparts.*

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

By: _____
Name: Joseph Fiore
Title: Chairman of the Board, Chief
Executive Officer, and Chief
Financial Officer

Attest: _____
Name: _____
Title: _____

J.P. CAREY SECURITIES, INC.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

EXHIBIT A

THE WARRANTS REPRESENTED BY THIS CERTIFICATE AND THE OTHER SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (ii) TO THE EXTENT APPLICABLE, PURSUANT TO RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) UPON THE DELIVERY BY THE HOLDER TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, STATING THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.

THE TRANSFER OR EXCHANGE OF THE WARRANTS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE WARRANT AGREEMENT REFERRED TO HEREIN.

EXERCISABLE ON OR BEFORE
5:00 P.M., EASTERN STANDARD TIME, May _____, 2003

No. _____ Warrants

WARRANT CERTIFICATE

This Warrant Certificate certifies that J.P. Carey Securities, Inc. ("J.P. Carey") or registered assigns, is the registered holder of _____ Warrants to purchase, at any time from May _____, 1998, until 5:00 P.M. Eastern Standard Time on May _____, 2003 ("Expiration Date"), up to _____ shares ("Shares") of fully-paid and non-assessable common stock, no par value ("Common Stock"), of Eat At Joe's Ltd., a Delaware corporation (the "Company"), at the Initial Exercise Price, subject to adjustment in certain events (the "Exercise Price"), of \$_____ per Share upon surrender of this Warrant Certificate and payment of the Exercise Price at an office or agency of the Company, but subject to the conditions set forth herein and in the warrant agreement dated as of May _____, 1998, between the Company and J.P. Carey (the "Warrant Agreement"). Payment of the Exercise Price may be made in cash, or by certified or official bank check in New York Clearing House funds payable to the order of the Company, or any combination of cash or check.

No Warrant may be exercised after 5:00 P.M., Eastern Standard Time, on the Expiration Date, at which time all Warrants evidenced hereby, unless exercised prior thereto, shall thereafter be void.

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants issued pursuant to the Warrant Agreement, which Warrant Agreement is hereby incorporated by reference in and made a part of this

instrument and is hereby referred to in a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants.

The Warrant Agreement provides that upon the occurrence of certain events, the Exercise Price and/or number of the Company's securities issuable thereupon may, subject to certain conditions, be adjusted. In such event, the Company will, at the request of the holder, issue a new Warrant Certificate evidencing the adjustment in the Exercise Price and the number and/or type of securities issuable upon the exercise of the Warrants; provided, however, that the failure of the Company to issue such new Warrant Certificates

shall not in any way change, alter, or otherwise impair, the rights of the holder as set forth in the Warrant Agreement.

Upon due presentment for registration of transfer of this Warrant Certificate at an office or agency of the Company, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferees) in exchange for this Warrant Certificate, subject to the limitations provided herein and in the Warrant Agreement, without any charge except for any tax, or other governmental charge imposed in connection therewith.

Upon the exercise of less than all of the Warrants evidenced by this Certificate, the Company shall forthwith issue to the holder hereof a new Warrant Certificate representing such number of unexercised Warrants.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, and of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

All terms used in this Warrant Certificate which are defined in the Warrant Agreement shall have the meanings assigned to them in the Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated: _____, 1998 EAT AT JOE'S LTD.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

[FORM OF ELECTION TO PURCHASE]

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase _____ Shares and herewith tenders in payment for such Shares cash or a certified or official bank check payable in New York Clearing House Funds to the order of _____ in the amount of \$ _____, all in accordance with the terms hereof. The undersigned requests that a certificate for such Shares be registered in the name of _____ whose address is _____, and that such Certificate be delivered to _____, whose address is _____

_____ .
Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

[FORM OF ASSIGNMENT]

(To be executed by the registered holder if such holder desires to transfer the Warrant Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the within Warrant Certificate on the books of the within-named Company, with full power of substitution.

Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate)

(Insert Social Security or Other Identifying Number of Assignee)

WARRANT AGREEMENT

WARRANT AGREEMENT dated as of May _____, 1998, between Eat At Joe's, Ltd., a Delaware corporation (the "Company"), and J.P. Carey Securities, Inc., a Georgia corporation (hereinafter referred to as "J.P. Carey").

W I T N E S S E T H:

WHEREAS, J.P. Carey has assisted the Company in connection with the Company's offering (the "Offering") of up to \$3,000,000 in principal amount of Series A and Series B Preferred Stock (the "Preferred Stock") for an aggregate purchase price \$3,000,000; and

WHEREAS, the Warrants issued pursuant to this Agreement are being issued by the Company to J.P. Carey and/or its designees, in consideration for, and as part of the compensation to be paid in connection with, the services of J.P. Carey in connection with the Offering;

NOW, THEREFORE, in consideration of the premises, the agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant.

J.P. Carey and/or its designees are hereby granted the right to purchase, at any time from the date of issuance of the aforementioned Preferred Stock until 5:00 P.M., Eastern Standard Time, on May _____, 2003 (the "Warrant Exercise Term"), _____ Shares at an exercise price (subject to adjustment as provided in Article 7 hereof) of 100% of the Closing Bid Price (as defined in the Company's Certificate of Designations, Preferences and Rights filed by the Company in connection with the Offering) of the Company's Common Stock, par value \$0.001 per share on the last business day immediately prior to the date of closing of the Offering, which is equal to \$_____ per share (the "Initial Exercise Price").

2. Warrant Certificates.

The warrant certificates (the "Warrant Certificates") delivered and to be delivered pursuant to this Agreement shall be in the form set forth as Exhibit A, attached hereto and made a part hereof, with such appropriate insertions, omissions, substitutions and other variations as required or permitted by this Agreement.

3. Exercise of Warrants.

3.1 Cash Exercise. The Exercise Price may be paid in cash or by check to the order of ----- the Company, or any combination of cash or check, subject to adjustment as provided in Article 7 hereof. Upon surrender of the Warrant Certificate with the annexed Form of Election to Purchase duly executed, together with payment of the Exercise Price (as hereinafter defined) for the Shares purchased, at the Company's executive offices currently located at 670 White Plains Road, Suite 118, Scarsdale, New York 10583, the registered holder of a Warrant Certificate ("Holder" or "Holders") shall be entitled to receive a certificate or certificates for the Shares so purchased. The purchase rights represented by each Warrant Certificate are exercisable at the option of the Holder hereof, in whole or in part (but not as to fractional shares of the Common Stock). In the case of the purchase of less than all the Shares purchasable under any Warrant

Certificate, the Company shall cancel said Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate of like tenor for the balance of the Shares purchasable thereunder.

3.2 *Cashless Exercise.* At any time during the Warrant Exercise Term, the Holder may, at its option, exchange this Warrant, in whole or in part (a "Warrant Exchange"), into the number of Shares determined in accordance with this Section 3.2, by surrendering this Warrant at the principal office of the company or at the office of its transfer agent, accompanied by a notice stating such Holder's intent to effect such exchange, the number of Shares to be exchanged and the date on which the Holder requests that such Warrant Exchange occur (the "Notice of Exchange"). The Warrant Exchange shall take place on the date specified in the Notice of Exchange or, if later, the date the Notice of Exchange is received by the Company (the "Exchange Date"). Certificates for the Shares issuable upon such Warrant Exchange and, if applicable, a new warrant of like tenor evidencing the balance of the Shares remaining subject to this Warrant, shall be issued as of the Exchange Date and delivered to the Holder within seven (7) business days following the Exchange Date. In connection with any Warrant Exchange, this Warrant shall represent the right to subscribe for and acquire the number of Shares (rounded to the next highest integer) equal to (i) the number of Shares specified by the Holder in its Notice of Exchange (the "Total Number") less (ii) the number of Shares equal to the quotient obtained by dividing (A) the product of the Total Number and the then existing Exercise Price by (B) the current market value of a share of Common Stock.

4. Issuance of Certificates.

Upon the exercise of the Warrants, the issuance of certificates for the Shares shall be made forthwith (and in any event within five business days thereafter) without charge to the Holder thereof including, without limitation, any tax which may be payable in respect of the issuance thereof, and such certificates shall be issued in the name of, or in such names as may be directed by, the Holder thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificates in a name other than that of the Holder and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to satisfaction of the Company that such tax has been paid.

The Warrant Certificates and the certificates representing the Shares shall be executed on behalf of the Company by the manual or facsimile signature of the present or any future Chairman or Vice Chairman of the Board of Directors, Chief Executive officer or President or Vice President of the Company under its corporate seal reproduced thereon, attested to by the manual or facsimile signature of the present or any future Secretary or Assistant Secretary of the Company. Warrant Certificates shall be dated the date of execution by the Company upon initial issuance, division, exchange, substitution or transfer.

The Warrant Certificates and, upon exercise of the Warrants, in part or in whole, certificates representing the Shares shall bear a legend substantially similar to the following:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be offered or sold except (i) pursuant to an effective registration statement under the Act, (ii) to the extent applicable, pursuant to Rule 144 under the Act (or any similar rule under such Act relating to the disposition of securities), or (iii) upon the delivery by the holder to the Company of an opinion of counsel, reasonably

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satisfactory to counsel to the issuer, stating that an exemption from registration under such Act is available.

5. Price.

5.1 *Adjusted Exercise Price.* The adjusted Exercise Price shall be the price which shall result from time to time from any and all adjustments of the Initial Exercise Price in accordance with the provisions of Article 7 hereof.

5.2 *Exercise Price.* The term "Exercise Price" herein shall mean the Initial Exercise Price or the adjusted Exercise Price, depending upon the context.

6. Registration Rights.

6.1 Registration Under the Securities Act of 1993.

The Warrants and the Shares have not been registered for purposes of public distribution under the Securities Act of 1933, as amended ("the Act").

6.2 Registrable Securities. As used herein the term "Registrable Security" means each of the Warrants, the Shares and any shares of Common Stock issued upon any stock split or stock dividend in respect of such Shares; provided, however, that with respect to any particular Registrable Security, such security shall cease to be a Registrable Security when, as of the date of determination, (i) it has been effectively registered under the Securities Act and disposed of pursuant thereto, (ii) registration under the Securities Act is no longer required for the immediate public distribution of such security or (iii) it has ceased to be outstanding. The term "Registrable Securities" means any and/or all of the securities falling within the foregoing definition of a "Registrable Security." In the event of any merger, reorganization, consolidation, recapitalization or other change in corporate structure affecting the Common Stock, such adjustment shall be made in the definition of "Registrable Security" as is appropriate in order to prevent any dilution or enlargement of the rights granted pursuant to this Article 6.

6.3 Piggyback Registration. If, at any time during the five years following the date of this Agreement, the Company proposes to prepare and file any registration statement or post-effective amendments thereto covering equity or debt securities of the Company, or any such securities of the Company held by its shareholders (in any such case, other than in connection with a merger, acquisition or pursuant to Form S-8 or successor form), (for purposes of this Article 6, collectively, a "Registration Statement"), it will give written notice of its intention to do so by registered mail ("Notice"), at ten (10) business days prior to the filing of each such Registration Statement, to all holders of the Registrable Securities. Upon the written request of such a holder (a "Requesting Holder"), made within ten (10) business days after receipt of the Notice, that the Company include any of the Requesting Holder's Registrable Securities in the proposed Registration Statement, the Company shall, as to each such Requesting Holder, use its best efforts to effect the registration under the Securities Act of the Registrable Securities which it has been so requested to register ("Piggyback Registration"), at the Company's sole cost and expense and at no cost or expense to the Requesting Holders; Notwithstanding the provisions of this Section 6.3, the Company shall have the right at any time after it shall have given written notice pursuant to this Section 6.3 (irrespective of whether any written request for inclusion of such securities shall have already been made) to elect not to file any such proposed Registration Statement, or to withdraw the same after the filing but prior to the effective date thereof.

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6.4 Demand Registration.

(a) At any time, commencing ninety (90) days from the date of this Agreement and during the Warrant Exercise Term, any "Majority Holder" (as such term is defined in Section 6.4(d) below) of the Registrable Securities shall have the right (which right is in addition to the piggyback registration rights provided for under Section 6.3 hereof), exercisable by written notice to the Company (the "Demand Registration Request"), to have the Company prepare and file with the Securities and Exchange Commission (the "Commission"), on one occasion, at the sole expense of the Company, a Registration Statement and such other documents, including a prospectus, as may be necessary (in the opinion of both counsel for the Company and counsel for such Majority Holder), in order to comply with the provisions of the Act, so as to permit a public offering and sale of the Registrable Securities by the holders thereof, for nine (9) consecutive months.

(b) The Company covenants and agrees to give written notice of any Demand Registration Request to all holders of the Registrable Securities within ten (10) days from the date of the Company's receipt of any such Demand Registration Request. After receiving notice from the Company as provided in this Section

6.4(b), holders of Registrable Securities may request the Company to include their Registrable Securities in the Registration Statement to be filed pursuant to Section 6.4(a) hereof by notifying the Company of their decision to include such securities within twenty (20) days of their receipt of the Company's notice.

(c) In addition to the registration rights provided for under Section 6.3 and subsection (a) of this Section 6.4, at any time during the Warrant Exercise Term, any Majority Holder (as defined below in Section 6.4(d)) of Registrable Securities shall have the right, exercisable by written request to the Company, to have the Company prepare and file with the Commission, on one occasion in respect of all holders of Registrable Securities, a Registration Statement so as to permit a public offering and sale of such Registrable Securities for nine (9) consecutive months, provided, however, that all costs incident thereto shall be at the expense of the holders of the Registrable Securities included in such Registration Statement. If a Majority Holder shall give notice to the Company at any time of its or their desire to exercise the registration right granted pursuant to this Section 6.4(c), then within ten (10) days after the Company's receipt of such notice, the Company shall give notice to the other holders of Registrable Securities, advising them that the Company is proceeding with such registration and offering to include therein the Registrable Securities of such holders, provided they furnish the Company with such appropriate information in connection therewith as the Company shall reasonably request in writing.

(d) The term "Majority Holder" as used in this Section 6.4 shall mean any holder or any combination of holders of Registrable Securities, if included in such holders, Registrable Securities are that aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) as would constitute a majority of the aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) included in all of the Registrable Securities.

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6.5 Covenants of the Company With Respect to Registration. The Company covenants and agrees as follows:

(a) In connection with any registration under Section 6.4 hereof, the Company shall file the Registration Statement as expeditiously as possible, but in no event later than twenty (20) business days following receipt of any demand therefor, shall use its best efforts to have any such Registration Statements declared effective at the earliest possible time, and shall furnish each holder of Registrable Securities such number of prospectuses as shall reasonably be requested.

(b) The Company shall pay all costs, fees and expenses (excluding fees of holders for their counsel, transfer taxes and underwriting discounts or commissions) in connection with all Registration Statements filed pursuant to Sections 6.3 and 6.4(a) hereof including, without limitation, the Company's legal and accounting fees, printing expenses, and blue sky fees and expenses. The holders of Registrable Securities included in any Registration Statement filed pursuant to Section 6.4(c) hereof will pay all costs, fees and expenses in connection with such registration.

(c) The Company will take all necessary action which may be required in qualifying or registering the Registrable Securities included in a Registration Statement for offering and sale under the securities or blue sky laws of such states as are requested by the holders of such securities.

(d) The Company shall indemnify any holder of the Registrable Securities to be sold pursuant to any Registration Statement and any underwriter or person deemed to be an underwriter under the Act and each person, if any, who controls such holder or underwriter or person deemed to be an underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such

Registration Statement to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the purchasers of the Company's Preferred Stock contained in the Registration Rights Agreement dated of even date herewith.

(e) Any holder of Registrable Securities to be sold pursuant to a Registration Statement, and its successors and assigns, shall severally, and not jointly, indemnify, the Company, its officers and directors and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against all loss, claim, damage or expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished in writing by or on behalf of such holder, or its successors or assigns, for specific inclusion in such Registration Statement to the same extent and with the same effect as the provisions pursuant to which purchasers of the Company's Preferred Stock have agreed to indemnify the Company contained in the Registration Rights Agreement dated of even date herewith.

(f) Nothing contained in this Agreement shall be construed as requiring any Holder to exercise his Warrants prior to the initial filing of any Registration Statement or the effectiveness thereof.

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(g) If the Company shall fail to comply with the provisions of this Article 6, the Company shall, in addition to any other equitable or other relief available to the holders of Registrable Securities, be liable for any or all incidental, special and consequential damages sustained by the holders of Registrable Securities, requesting registration of their Registrable Securities.

(h) Except as otherwise provided to the contrary herein, the Company shall not permit the inclusion of any securities other than the Registrable Securities to be included in any Registration Statement filed pursuant to Section 6.4 hereof, or permit any other registration statement to be or remain effective during the effectiveness of a Registration Statement filed pursuant to Section 6.4 hereof, without the prior written consent of the Majority Holders, which consent shall not be unreasonably withheld.

(i) The Company shall deliver promptly to each holder of Registrable Securities participating in the offering requesting the correspondence and memoranda described in this Section 6.5(i) and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the Registration Statement and permit each holder of Registrable Securities and underwriters to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such holder of Registrable Securities or underwriter shall reasonably request.

(j) If the Company shall enter into an underwriting agreement with the managing underwriter selected for such underwriting, such agreement shall be satisfactory in form and substance to the Company, each holder of Registrable Securities and such managing underwriter, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter. The holders of Registrable Securities shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriter shall also be made to and for the benefit of such holders of Registrable Securities. Such holders of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriter except as they may relate to such holders of

Registrable Securities and their intended methods of distribution.

7. Adjustments of Exercise Price and Number of Shares.

7.1 Computation of Adjusted Price. Except as hereinafter provided, in case the Company shall at any time after the date hereof issue or sell any shares of Common Stock (other than the issuances or sales referred to in Section 7.6 hereof), including shares held in the Company's treasury and shares of Common Stock issued upon the exercise of any options, rights or warrants to subscribe for shares of Common Stock (other than the issuances or sales of Common Stock pursuant to rights to subscribe for such Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.6 hereof) and shares of Common Stock issued upon the direct or indirect conversion or exchange of securities for shares of Common Stock, for a consideration per share less than the lesser of either the Exercise Price in effect immediately prior to the issuance or sale of such shares or the "Market Price" (as defined in Section 7.1(vi) hereof) per share of Common Stock or without consideration, then forthwith upon

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such issuance or sale, the Exercise Price shall (until another such issuance or sale) be reduced to the price (calculated to the nearest full cent) equal to the price determined by multiplying the Exercise Price in effect immediately prior to such issuance or sale by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such issuance or sale and the number of shares of Common Stock which the amount of all consideration, if any, received by the Company upon such issuance or sale would purchase at the Market Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issuance or sale.

For the purposes of any computation to be made in accordance with this Section 7.1, the following provisions shall be applicable:

(i) In case of the issuance or sale of shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Company for such shares (or, if shares of Common Stock are offered by the Company for subscription, the subscription price, or, if such securities shall be sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price) before deducting therefrom any compensation paid or discount allowed in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services, or any expenses incurred in connection therewith.

(ii) In case of the issuance or sale (otherwise than as a dividend or other distribution on any stock of the Company) of shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as determined in good faith by the Board of Directors of the Company.

(iii) Shares of Common Stock issuable by way of dividend or other distribution on any stock of the Company shall be deemed to have been issued immediately after the opening of business on the day following the record date for the determination of shareholders entitled to receive such dividend or other distribution and shall be deemed to have been issued without consideration.

(iv) The reclassification of securities of the Company other than shares of Common Stock into securities including shares of Common Stock shall be deemed to involve the issuance of such shares of Common Stock for a consideration other than cash immediately prior to the close of business on the date fixed for the determination of security holders entitled to receive such shares, and the value of the consideration allocable to such shares of Common Stock shall be determined as provided in subsection (ii) of this Section 7.1.

(v) The number of shares of Common Stock at any one time outstanding shall include the aggregate number of shares issued or issuable upon the exercise of options, rights, warrants and upon the conversion or exchange of convertible or

exchangeable securities.

(vi) As used herein, the phrase "Market Price, at any date shall be deemed to be the last reported sale price, or, in case no such reported sale takes place on such day, the average of the last reported sale prices for the last three (3) trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading, if the Common Stock is not listed or admitted to trading on any national securities exchange, the closing bid price as furnished by the National Association of Securities Dealers, Inc. through NASDAQ or similar

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organization if NASDAQ is no longer reporting such information, or if the Common Stock is not quoted on NASDAQ, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it for the two (2) days immediately preceding such issuance or sale and the day of such issuance or sale.

7.2 Options, Rights, Warrants and Convertible and Exchangeable Securities. Except in the case of the Company issuing rights to subscribe for shares of Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.8 hereof, if the Company shall at any time after the date hereof issue options, rights or warrants to subscribe for shares of Common Stock, or issue any securities convertible into or exchangeable for shares of Common Stock, (i) for a consideration per share less than (a) the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, or (b) the Market Price, or (ii) without consideration, the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, as the case may be, shall be reduced to a price determined by making a computation in accordance with the provisions of Section 7.1 hereof, provided that:

(a) The aggregate maximum number of shares of Common Stock, as the case may be, issuable under all the outstanding options, rights or warrants shall be deemed to be issued and outstanding at the time all the outstanding options, rights or warrants were issued, and for a consideration equal to the minimum purchase price per share provided for in the options, rights or warrants at the time of issuance, plus the consideration (determined in the same manner as consideration received on the issue or sale of shares in accordance with the terms of the Warrants), if any, received by the Company for the options, rights or warrants, and if no minimum price is provided in the options, rights or warrants, then the consideration shall be equal to zero; provided, however, that upon the expiration or other termination of the options, rights or warrants, if any thereof shall not have been exercised, the number of shares of Common Stock deemed to be issued and outstanding pursuant to this subsection (a) (and for the purposes of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which options, warrants and/or rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to be issued and outstanding, and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of shares actually issued or issuable upon the exercise of those options, rights or warrants as to which the exercise rights shall not have expired or terminated unexercised.

(b) The aggregate maximum number of shares of Common Stock issuable upon conversion or exchange of any convertible or exchangeable securities shall be deemed to be issued and outstanding at the time of issuance of such securities, and for a consideration equal to the consideration (determined in the same manner as consideration received on the issue or sale of shares of Common Stock in accordance with the terms of the Warrants) received by the Company for such securities, plus the minimum consideration, if any, receivable by the Company upon the conversion or exchange thereof; provided, however, that upon the termination of the right to convert or exchange such convertible or exchangeable securities (whether by reason of redemption or otherwise), the number of shares deemed to be issued and outstanding pursuant to this subsection (b) (and for the purpose of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which the conversion or exchange rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to

be issued and outstanding and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of the shares actually

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issued or issuable upon the conversion or exchange of those convertible or exchangeable securities as to which the conversion or exchange rights shall not have expired or terminated unexercised.

(c) If any change shall occur in the price per share provided for in any of the options, rights or warrants referred to in subsection (a) of this Section 7.2, or in the price per share at which the securities referred to in subsection (b) of this Section 7.2 are convertible or exchangeable, the options, rights or warrants or conversion or exchange rights, as the case may be, shall be deemed to have expired or terminated on the date when such price change became effective in respect of shares not theretofore issued pursuant to the exercise or conversion or exchange thereof, and the Company shall be deemed to have issued upon such date new options, rights or warrants or convertible or exchangeable securities at the new price in respect of the number of shares issuable upon the exercise of such options, rights or warrants or the conversion or exchange of such convertible or exchangeable securities.

7.3 Subdivision and Combination. In case the Company shall at any time subdivide or combine the outstanding shares of Common Stock, the Exercise Price shall forthwith be proportionately decreased in the case of subdivision or increased in the case of combination.

7.4 Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Article 7, the number of Shares issuable upon the exercise of each Warrant shall be adjusted to the nearest full Share by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of Shares issuable upon exercise of the Warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

7.5 Reclassification, Consolidation, Merger, etc. In case of any reclassification or change of the outstanding shares of Common Stock (other than a change in par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in the case of any consolidation of the Company with, or merger of the Company into, another corporation (other than a consolidation or merger in which the Company is the surviving corporation and which does not result in any reclassification or change of the outstanding shares of Common Stock, except a change as a result of a subdivision or combination of such shares or a change in par value, as aforesaid), or in the case of a sale or conveyance to another corporation of the property of the Company as an entirety, the Holders shall thereafter have the right to purchase the kind and number of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance as if the Holders were the owners of the shares of Common Stock underlying the Warrants immediately prior to any such events at a price equal to the product of (x) the number of shares issuable upon exercise of the Warrants and (y) the Exercise Price in effect immediately prior to the record date for such reclassification, change, consolidation, merger, sale or conveyance as if such Holders had exercised the Warrants.

7.6 No Adjustment of Exercise Price in Certain Cases. No adjustment of the Exercise Price shall be made:

(a) Upon the issuance or sale of shares of Common Stock upon the exercise of the Warrants; or

(b) Upon (i) the issuance of options pursuant to the Company's employee stock option plan in effect on the date hereof or the issuance or sale by the Company of any shares of Common Stock pursuant to the exercise of any such options, or (ii) the issuance or sale

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by the Company of any shares of Common Stock pursuant to the exercise of any options or warrants previously issued and outstanding on the date hereof; or

(c) Upon the issuance of shares of Common Stock pursuant to contractual obligations existing on the date hereof; or

(d) If the amount of said adjustment shall be less than 2 cents (2(cent)) per Share, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 2 cents (2(cent)) per Share.

7.7 Dividends and Other Distributions with Respect to Outstanding Securities. In the event that the Company shall at any time prior to the exercise of all Warrants declare a dividend (other than a dividend consisting solely of shares of Common Stock or a cash dividend or distribution payable out of current or retained earnings) or otherwise distribute to its shareholders any monies, assets, property, rights, evidences of indebtedness, securities (other than shares of Common Stock), whether issued by the Company or by another person or entity, or any other thing of value, the Holder or Holders of the unexercised Warrants shall thereafter be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise thereof, to receive, upon the exercise of such Warrants, the same monies, property, assets, rights, evidences of indebtedness, securities or any other thing of value that they would have been entitled to receive at the time of such dividend or distribution. At the time of any such dividend or distribution, the Company shall make appropriate reserves to ensure the timely performance of the provisions of this Subsection 7.7.

7.8 Subscription Rights for Shares of Common Stock or Other Securities. In the case the Company or an affiliate of the Company shall at any time after the date hereof and prior to the exercise of all the Warrants issue any rights to subscribe for shares of Common Stock or any other securities of the Company or of such affiliate to all the shareholders of the Company, the Holders of the unexercised Warrants shall be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise of the Warrants, to receive such rights at the time such rights are distributed to the other shareholders of the Company.

8. Exchange and Replacement of Warrant Certificates.

Each Warrant Certificate is exchangeable without expense, upon the surrender hereof by the registered Holder at the principal executive office of the Company, for a new Warrant Certificate of like tenor and date representing in the aggregate the right to purchase the same number of Shares in such denominations as shall be designated by the Holder thereof at the time of such surrender.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Warrants, if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor, in lieu thereof.

9. Elimination of Fractional Interests.

The Company shall not be required to issue certificates representing fractions of shares of Common Stock and shall not be required to issue scrip or pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up to

the nearest whole number of shares of Common Stock.

10. Reservation and Listing of Securities.

The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of the Warrants, such number of shares of Common Stock as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Warrants and payment of the Exercise Price therefor, all shares of Common Stock issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to the preemptive rights of any shareholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon the exercise of the Warrants to be listed on or quoted on the electronic bulletin board, by NASDAQ or listed on such national securities exchanges as requested by the Placement Agent.

11. Notices to Warrant Holders.

Nothing contained in this Agreement shall be construed as conferring upon the Holder or Holders the right to vote or to consent or to receive notice as a shareholder in respect of any meetings of shareholders for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Warrants and their exercise, any of the following events shall occur:

(a) the Company shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of current or retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; or

(b) the Company shall offer to all the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property, assets and business as an entirety shall be proposed;

then, in any one or more of said events, the Company shall give written notice of such event at least fifteen (15) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, convertible or exchangeable securities or subscription rights, options or warrants, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to give such notice or any defect therein shall not affect the validity of

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any action taken in connection with the declaration or payment of any such dividend or distribution, or the issuance of any convertible or exchangeable securities or subscription rights, options or warrants, or any proposed dissolution, liquidation, winding up or sale.

12. Notices.

All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered, or mailed by registered or certified mail, return receipt requested:

(a) If to a registered Holder of the Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in Section 3 of this

Agreement or to such other address as the Company may designate by notice to the Holders.

13. *Supplements and Amendments.*

The Company and the Placement Agent may from time to time supplement or amend this Agreement without the approval of any Holders of Warrant Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Placement Agent may deem necessary or desirable and which the Company and the Placement Agent deem not to adversely affect the interests of the Holders of Warrant Certificates.

14. *Successors.*

All the covenants and provisions of this Agreement by or for the benefit of the Company and the Holders inure to the benefit of their respective successors and assigns hereunder.

15. *Termination.*

This Agreement shall terminate at the close of business on May _____, 2003. Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised and all the Shares issuable upon exercise of the Warrants have been resold to the public; provided, however, that the provisions of Article 6 shall survive such termination until the close of business on May _____, 2003.

16. *Governing Law.*

This Agreement and each Warrant Certificate hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the principles of conflict of laws. Any dispute or controversy between the parties arising in connection with this Agreement or the subject matter contemplated by this Agreement shall be resolved by arbitration before a three-member panel of the American Arbitration Association in accordance with the commercial arbitration rules of said forum and the Federal Arbitration Act, 9 U.S.C. 1 et seq., with the resulting award being final and conclusive. Said arbitrators shall be empowered to award all forms of relief and damages claimed, including, but not limited to, attorney's fees, expenses of litigation and arbitration, exemplary damages, and prejudgment interest. The

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parties further agree that any arbitration action between them shall be heard in Atlanta, Georgia, and expressly consent to the jurisdiction and venue of the Superior Court of Fulton County, Georgia, and the United States District Court for the Northern District of Georgia, Atlanta Division for the adjudication of any civil action asserted pursuant to this Paragraph.

17. *Benefits of This Agreement.*

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Placement Agent and any other registered holder or holders of the Warrant Certificates, Warrants or the Shares any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole and exclusive benefit of the Company and the Placement Agent and any other holder or holders of the Warrant Certificates, Warrants or the Shares.

18. *Counterparts.*

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

By: _____
Name: Joseph Fiore
Title: Chairman of the Board, Chief
Executive Officer, and Chief
Financial Officer

Attest: _____
Name: _____
Title: _____

J.P. CAREY SECURITIES, INC.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

EXHIBIT A

THE WARRANTS REPRESENTED BY THIS CERTIFICATE AND THE OTHER SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (ii) TO THE EXTENT APPLICABLE, PURSUANT TO RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) UPON THE DELIVERY BY THE HOLDER TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, STATING THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.

THE TRANSFER OR EXCHANGE OF THE WARRANTS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE WARRANT AGREEMENT REFERRED TO HEREIN.

EXERCISABLE ON OR BEFORE
5:00 P.M., EASTERN STANDARD TIME, May ____, 2003

No. ____ Warrants

WARRANT CERTIFICATE

This Warrant Certificate certifies that J.P. Carey Securities, Inc. ("J.P. Carey") or registered assigns, is the registered holder of _____ Warrants to purchase, at any time from May ____, 1998, until 5:00 P.M. Eastern Standard Time on May ____, 2003 ("Expiration Date"), up to _____ shares ("Shares") of fully-paid and non-assessable common stock, no par value ("Common Stock"), of Eat At Joe's Ltd., a Delaware corporation (the "Company"), at the Initial Exercise Price, subject to adjustment in certain events (the "Exercise Price"), of \$_____ per Share upon surrender of this Warrant Certificate and payment of the Exercise Price at an office or agency of the Company, but subject to the conditions set forth herein and in the warrant agreement dated as of May ____, 1998, between the Company and J.P. Carey (the "Warrant Agreement"). Payment of the Exercise Price may be made in cash, or by certified or official bank check in New York Clearing House funds payable to the order of the Company, or any combination of cash or check.

No Warrant may be exercised after 5:00 P.M., Eastern Standard Time, on the Expiration Date, at which time all Warrants evidenced hereby, unless exercised prior thereto, shall thereafter be void.

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants issued pursuant to the Warrant Agreement, which Warrant Agreement is hereby incorporated by reference in and made a part of this

instrument and is hereby referred to in a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants.

The Warrant Agreement provides that upon the occurrence of certain events, the Exercise Price and/or number of the Company's securities issuable thereupon may, subject to certain conditions, be adjusted. In such event, the Company will, at the request of the holder, issue a new Warrant Certificate evidencing the adjustment in the Exercise Price and the number and/or type of securities issuable upon the exercise of the Warrants; provided, however, that the failure of the Company to issue such new Warrant Certificates

shall not in any way change, alter, or otherwise impair, the rights of the holder as set forth in the Warrant Agreement.

Upon due presentment for registration of transfer of this Warrant Certificate at an office or agency of the Company, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferees) in exchange for this Warrant Certificate, subject to the limitations provided herein and in the Warrant Agreement, without any charge except for any tax, or other governmental charge imposed in connection therewith.

Upon the exercise of less than all of the Warrants evidenced by this Certificate, the Company shall forthwith issue to the holder hereof a new Warrant Certificate representing such number of unexercised Warrants.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, and of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

All terms used in this Warrant Certificate which are defined in the Warrant Agreement shall have the meanings assigned to them in the Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated: _____, 1998 EAT AT JOE'S LTD.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

[FORM OF ELECTION TO PURCHASE]

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase _____ Shares and herewith tenders in payment for such Shares cash or a certified or official bank check payable in New York Clearing House Funds to the order of _____ in the amount of \$_____, all in accordance with the terms hereof. The undersigned requests that a certificate for such Shares be registered in the name of _____ whose address is _____, and that such Certificate be delivered to _____, whose address is _____

_____ .
Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

[FORM OF ASSIGNMENT]

(To be executed by the registered holder if such holder desires to transfer the Warrant Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the within Warrant Certificate on the books of the within-named Company, with full power of substitution.

Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate)

(Insert Social Security or Other Identifying Number of Assignee)

WARRANT AGREEMENT

WARRANT AGREEMENT dated as of May _____, 1998, between Eat At Joe's, Ltd., a Delaware corporation (the "Company"), and J.P. Carey Securities, Inc., a Georgia corporation (hereinafter referred to as "J.P. Carey").

W I T N E S S E T H:

WHEREAS, J.P. Carey has assisted the Company in connection with the Company's offering (the "Offering") of up to \$3,000,000 in principal amount of Series A and Series B Preferred Stock (the "Preferred Stock") for an aggregate purchase price \$3,000,000; and

WHEREAS, the Warrants issued pursuant to this Agreement are being issued by the Company to J.P. Carey and/or its designees, in consideration for, and as part of the compensation to be paid in connection with, the services of J.P. Carey in connection with the Offering;

NOW, THEREFORE, in consideration of the premises, the agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant.

J.P. Carey and/or its designees are hereby granted the right to purchase, at any time from the date of issuance of the aforementioned Preferred Stock until 5:00 P.M., Eastern Standard Time, on May _____, 2003 (the "Warrant Exercise Term"), _____ Shares at an exercise price (subject to adjustment as provided in Article 7 hereof) of 100% of the Closing Bid Price (as defined in the Company's Certificate of Designations, Preferences and Rights filed by the Company in connection with the Offering) of the Company's Common Stock, par value \$0.001 per share on the last business day immediately prior to the date of closing of the Offering, which is equal to \$_____ per share (the "Initial Exercise Price").

2. Warrant Certificates.

The warrant certificates (the "Warrant Certificates") delivered and to be delivered pursuant to this Agreement shall be in the form set forth as Exhibit A, attached hereto and made a part hereof, with such appropriate insertions, omissions, substitutions and other variations as required or permitted by this Agreement.

3. Exercise of Warrants.

3.1 Cash Exercise. The Exercise Price may be paid in cash or by check to the order of ----- the Company, or any combination of cash or check, subject to adjustment as provided in Article 7 hereof. Upon surrender of the Warrant Certificate with the annexed Form of Election to Purchase duly executed, together with payment of the Exercise Price (as hereinafter defined) for the Shares purchased, at the Company's executive offices currently located at 670 White Plains Road, Suite 118, Scarsdale, New York 10583, the registered holder of a Warrant Certificate ("Holder" or "Holders") shall be entitled to receive a certificate or certificates for the Shares so purchased. The purchase rights represented by each Warrant Certificate are exercisable at the option of the Holder hereof, in whole or in part (but not as to fractional shares of the Common Stock). In the case of the purchase of less than all the Shares purchasable under any Warrant

Certificate, the Company shall cancel said Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate of like tenor for the balance of the Shares purchasable thereunder.

3.2 Cashless Exercise. At any time during the Warrant Exercise Term, the Holder may, at its option, exchange this Warrant, in whole or in part (a "Warrant Exchange"), into the number of Shares determined in accordance with this Section 3.2, by surrendering this Warrant at the principal office of the company or at the office of its transfer agent, accompanied by a notice stating such Holder's intent to effect such exchange, the number of Shares to be exchanged and the date on which the Holder requests that such Warrant Exchange occur (the "Notice of Exchange"). The Warrant Exchange shall take place on the date specified in the Notice of Exchange or, if later, the date the Notice of Exchange is received by the Company (the "Exchange Date"). Certificates for the Shares issuable upon such Warrant Exchange and, if applicable, a new warrant of like tenor evidencing the balance of the Shares remaining subject to this Warrant, shall be issued as of the Exchange Date and delivered to the Holder within seven (7) business days following the Exchange Date. In connection with any Warrant Exchange, this Warrant shall represent the right to subscribe for and acquire the number of Shares (rounded to the next highest integer) equal to (i) the number of Shares specified by the Holder in its Notice of Exchange (the "Total Number") less (ii) the number of Shares equal to the quotient obtained by dividing (A) the product of the Total Number and the then existing Exercise Price by (B) the current market value of a share of Common Stock.

4. Issuance of Certificates.

Upon the exercise of the Warrants, the issuance of certificates for the Shares shall be made forthwith (and in any event within five business days thereafter) without charge to the Holder thereof including, without limitation, any tax which may be payable in respect of the issuance thereof, and such certificates shall be issued in the name of, or in such names as may be directed by, the Holder thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificates in a name other than that of the Holder and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to satisfaction of the Company that such tax has been paid.

The Warrant Certificates and the certificates representing the Shares shall be executed on behalf of the Company by the manual or facsimile signature of the present or any future Chairman or Vice Chairman of the Board of Directors, Chief Executive officer or President or Vice President of the Company under its corporate seal reproduced thereon, attested to by the manual or facsimile signature of the present or any future Secretary or Assistant Secretary of the Company. Warrant Certificates shall be dated the date of execution by the Company upon initial issuance, division, exchange, substitution or transfer.

The Warrant Certificates and, upon exercise of the Warrants, in part or in whole, certificates representing the Shares shall bear a legend substantially similar to the following:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Act"), and may not be offered or sold except (i) pursuant to an effective registration statement under the Act, (ii) to the extent applicable, pursuant to Rule 144 under the Act (or any similar rule under such Act relating to the disposition of securities), or (iii) upon the delivery by the holder to the Company of an opinion of counsel, reasonably

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satisfactory to counsel to the issuer, stating that an exemption from registration under such Act is available.

5. Price.

5.1 Adjusted Exercise Price. The adjusted Exercise Price shall be the price which shall result from time to time from any and all adjustments of the Initial Exercise Price in accordance with the provisions of Article 7 hereof.

5.2 Exercise Price. The term "Exercise Price" herein shall mean the Initial Exercise Price or the adjusted Exercise Price, depending upon the context.

6. Registration Rights.

6.1 Registration Under the Securities Act of 1993.

The Warrants and the Shares have not been registered for purposes of public distribution under the Securities Act of 1933, as amended ("the Act").

6.2 Registrable Securities. As used herein the term "Registrable Security" means each of the Warrants, the Shares and any shares of Common Stock issued upon any stock split or stock dividend in respect of such Shares; provided, however, that with respect to any particular Registrable Security, such security shall cease to be a Registrable Security when, as of the date of determination, (i) it has been effectively registered under the Securities Act and disposed of pursuant thereto, (ii) registration under the Securities Act is no longer required for the immediate public distribution of such security or (iii) it has ceased to be outstanding. The term "Registrable Securities" means any and/or all of the securities falling within the foregoing definition of a "Registrable Security." In the event of any merger, reorganization, consolidation, recapitalization or other change in corporate structure affecting the Common Stock, such adjustment shall be made in the definition of "Registrable Security" as is appropriate in order to prevent any dilution or enlargement of the rights granted pursuant to this Article 6.

6.3 Piggyback Registration. If, at any time during the five years following the date of this Agreement, the Company proposes to prepare and file any registration statement or post-effective amendments thereto covering equity or debt securities of the Company, or any such securities of the Company held by its shareholders (in any such case, other than in connection with a merger, acquisition or pursuant to Form S-8 or successor form), (for purposes of this Article 6, collectively, a "Registration Statement"), it will give written notice of its intention to do so by registered mail ("Notice"), at ten (10) business days prior to the filing of each such Registration Statement, to all holders of the Registrable Securities. Upon the written request of such a holder (a "Requesting Holder"), made within ten (10) business days after receipt of the Notice, that the Company include any of the Requesting Holder's Registrable Securities in the proposed Registration Statement, the Company shall, as to each such Requesting Holder, use its best efforts to effect the registration under the Securities Act of the Registrable Securities which it has been so requested to register ("Piggyback Registration"), at the Company's sole cost and expense and at no cost or expense to the Requesting Holders; Notwithstanding the provisions of this Section 6.3, the Company shall have the right at any time after it shall have given written notice pursuant to this Section 6.3 (irrespective of whether any written request for inclusion of such securities shall have already been made) to elect not to file any such proposed Registration Statement, or to withdraw the same after the filing but prior to the effective date thereof.

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6.4 Demand Registration.

(a) At any time, commencing ninety (90) days from the date of this Agreement and during the Warrant Exercise Term, any "Majority Holder" (as such term is defined in Section 6.4(d) below) of the Registrable Securities shall have the right (which right is in addition to the piggyback registration rights provided for under Section 6.3 hereof), exercisable by written notice to the Company (the "Demand Registration Request"), to have the Company prepare and file with the Securities and Exchange Commission (the "Commission"), on one occasion, at the sole expense of the Company, a Registration Statement and such other documents, including a prospectus, as may be necessary (in the opinion of both counsel for the Company and counsel for such Majority Holder), in order to comply with the provisions of the Act, so as to permit a public offering and sale of the Registrable Securities by the holders thereof, for nine (9) consecutive months.

(b) The Company covenants and agrees to give written notice of any Demand Registration Request to all holders of the Registrable Securities within ten (10) days from the date of the Company's receipt of any such Demand Registration Request. After receiving notice from the Company as provided in this Section

6.4(b), holders of Registrable Securities may request the Company to include their Registrable Securities in the Registration Statement to be filed pursuant to Section 6.4(a) hereof by notifying the Company of their decision to include such securities within twenty (20) days of their receipt of the Company's notice.

(c) In addition to the registration rights provided for under Section 6.3 and subsection (a) of this Section 6.4, at any time during the Warrant Exercise Term, any Majority Holder (as defined below in Section 6.4(d)) of Registrable Securities shall have the right, exercisable by written request to the Company, to have the Company prepare and file with the Commission, on one occasion in respect of all holders of Registrable Securities, a Registration Statement so as to permit a public offering and sale of such Registrable Securities for nine (9) consecutive months, provided, however, that all costs incident thereto shall be at the expense of the holders of the Registrable Securities included in such Registration Statement. If a Majority Holder shall give notice to the Company at any time of its or their desire to exercise the registration right granted pursuant to this Section 6.4(c), then within ten (10) days after the Company's receipt of such notice, the Company shall give notice to the other holders of Registrable Securities, advising them that the Company is proceeding with such registration and offering to include therein the Registrable Securities of such holders, provided they furnish the Company with such appropriate information in connection therewith as the Company shall reasonably request in writing.

(d) The term "Majority Holder" as used in this Section 6.4 shall mean any holder or any combination of holders of Registrable Securities, if included in such holders, Registrable Securities are that aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) as would constitute a majority of the aggregate number of Shares (including Shares already issued and Shares issuable pursuant to the exercise of outstanding Warrants) included in all of the Registrable Securities.

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6.5 Covenants of the Company With Respect to Registration. The Company covenants and agrees as follows:

(a) In connection with any registration under Section 6.4 hereof, the Company shall file the Registration Statement as expeditiously as possible, but in no event later than twenty (20) business days following receipt of any demand therefor, shall use its best efforts to have any such Registration Statements declared effective at the earliest possible time, and shall furnish each holder of Registrable Securities such number of prospectuses as shall reasonably be requested.

(b) The Company shall pay all costs, fees and expenses (excluding fees of holders for their counsel, transfer taxes and underwriting discounts or commissions) in connection with all Registration Statements filed pursuant to Sections 6.3 and 6.4(a) hereof including, without limitation, the Company's legal and accounting fees, printing expenses, and blue sky fees and expenses. The holders of Registrable Securities included in any Registration Statement filed pursuant to Section 6.4(c) hereof will pay all costs, fees and expenses in connection with such registration.

(c) The Company will take all necessary action which may be required in qualifying or registering the Registrable Securities included in a Registration Statement for offering and sale under the securities or blue sky laws of such states as are requested by the holders of such securities.

(d) The Company shall indemnify any holder of the Registrable Securities to be sold pursuant to any Registration Statement and any underwriter or person deemed to be an underwriter under the Act and each person, if any, who controls such holder or underwriter or person deemed to be an underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such

Registration Statement to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the purchasers of the Company's Preferred Stock contained in the Registration Rights Agreement dated of even date herewith.

(e) Any holder of Registrable Securities to be sold pursuant to a Registration Statement, and its successors and assigns, shall severally, and not jointly, indemnify, the Company, its officers and directors and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against all loss, claim, damage or expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished in writing by or on behalf of such holder, or its successors or assigns, for specific inclusion in such Registration Statement to the same extent and with the same effect as the provisions pursuant to which purchasers of the Company's Preferred Stock have agreed to indemnify the Company contained in the Registration Rights Agreement dated of even date herewith.

(f) Nothing contained in this Agreement shall be construed as requiring any Holder to exercise his Warrants prior to the initial filing of any Registration Statement or the effectiveness thereof.

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(g) If the Company shall fail to comply with the provisions of this Article 6, the Company shall, in addition to any other equitable or other relief available to the holders of Registrable Securities, be liable for any or all incidental, special and consequential damages sustained by the holders of Registrable Securities, requesting registration of their Registrable Securities.

(h) Except as otherwise provided to the contrary herein, the Company shall not permit the inclusion of any securities other than the Registrable Securities to be included in any Registration Statement filed pursuant to Section 6.4 hereof, or permit any other registration statement to be or remain effective during the effectiveness of a Registration Statement filed pursuant to Section 6.4 hereof, without the prior written consent of the Majority Holders, which consent shall not be unreasonably withheld.

(i) The Company shall deliver promptly to each holder of Registrable Securities participating in the offering requesting the correspondence and memoranda described in this Section 6.5(i) and to the managing underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the Registration Statement and permit each holder of Registrable Securities and underwriters to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such holder of Registrable Securities or underwriter shall reasonably request.

(j) If the Company shall enter into an underwriting agreement with the managing underwriter selected for such underwriting, such agreement shall be satisfactory in form and substance to the Company, each holder of Registrable Securities and such managing underwriter, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the managing underwriter. The holders of Registrable Securities shall be parties to any underwriting agreement relating to an underwritten sale of their Registrable Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriter shall also be made to and for the benefit of such holders of Registrable Securities. Such holders of Registrable Securities shall not be required to make any representations or warranties to or agreements with the Company or the underwriter except as they may relate to such holders of

Registrable Securities and their intended methods of distribution.

7. Adjustments of Exercise Price and Number of Shares.

7.1 Computation of Adjusted Price. Except as hereinafter provided, in case the Company shall at any time after the date hereof issue or sell any shares of Common Stock (other than the issuances or sales referred to in Section 7.6 hereof), including shares held in the Company's treasury and shares of Common Stock issued upon the exercise of any options, rights or warrants to subscribe for shares of Common Stock (other than the issuances or sales of Common Stock pursuant to rights to subscribe for such Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.6 hereof) and shares of Common Stock issued upon the direct or indirect conversion or exchange of securities for shares of Common Stock, for a consideration per share less than the lesser of either the Exercise Price in effect immediately prior to the issuance or sale of such shares or the "Market Price" (as defined in Section 7.1(vi) hereof) per share of Common Stock or without consideration, then forthwith upon

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such issuance or sale, the Exercise Price shall (until another such issuance or sale) be reduced to the price (calculated to the nearest full cent) equal to the price determined by multiplying the Exercise Price in effect immediately prior to such issuance or sale by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such issuance or sale and the number of shares of Common Stock which the amount of all consideration, if any, received by the Company upon such issuance or sale would purchase at the Market Price, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such issuance or sale.

For the purposes of any computation to be made in accordance with this Section 7.1, the following provisions shall be applicable:

(i) In case of the issuance or sale of shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the Company for such shares (or, if shares of Common Stock are offered by the Company for subscription, the subscription price, or, if such securities shall be sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price) before deducting therefrom any compensation paid or discount allowed in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services, or any expenses incurred in connection therewith.

(ii) In case of the issuance or sale (otherwise than as a dividend or other distribution on any stock of the Company) of shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration therefor other than cash shall be deemed to be the value of such consideration as determined in good faith by the Board of Directors of the Company.

(iii) Shares of Common Stock issuable by way of dividend or other distribution on any stock of the Company shall be deemed to have been issued immediately after the opening of business on the day following the record date for the determination of shareholders entitled to receive such dividend or other distribution and shall be deemed to have been issued without consideration.

(iv) The reclassification of securities of the Company other than shares of Common Stock into securities including shares of Common Stock shall be deemed to involve the issuance of such shares of Common Stock for a consideration other than cash immediately prior to the close of business on the date fixed for the determination of security holders entitled to receive such shares, and the value of the consideration allocable to such shares of Common Stock shall be determined as provided in subsection (ii) of this Section 7.1.

(v) The number of shares of Common Stock at any one time outstanding shall include the aggregate number of shares issued or issuable upon the exercise of options, rights, warrants and upon the conversion or exchange of convertible or

exchangeable securities.

(vi) As used herein, the phrase "Market Price, at any date shall be deemed to be the last reported sale price, or, in case no such reported sale takes place on such day, the average of the last reported sale prices for the last three (3) trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading, if the Common Stock is not listed or admitted to trading on any national securities exchange, the closing bid price as furnished by the National Association of Securities Dealers, Inc. through NASDAQ or similar

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organization if NASDAQ is no longer reporting such information, or if the Common Stock is not quoted on NASDAQ, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it for the two (2) days immediately preceding such issuance or sale and the day of such issuance or sale.

7.2 Options, Rights, Warrants and Convertible and Exchangeable Securities. Except in the case of the Company issuing rights to subscribe for shares of Common Stock distributed to all the shareholders of the Company and Holders of Warrants pursuant to Section 7.8 hereof, if the Company shall at any time after the date hereof issue options, rights or warrants to subscribe for shares of Common Stock, or issue any securities convertible into or exchangeable for shares of Common Stock, (i) for a consideration per share less than (a) the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, or (b) the Market Price, or (ii) without consideration, the Exercise Price in effect immediately prior to the issuance of such options, rights or warrants, or such convertible or exchangeable securities, as the case may be, shall be reduced to a price determined by making a computation in accordance with the provisions of Section 7.1 hereof, provided that:

(a) The aggregate maximum number of shares of Common Stock, as the case may be, issuable under all the outstanding options, rights or warrants shall be deemed to be issued and outstanding at the time all the outstanding options, rights or warrants were issued, and for a consideration equal to the minimum purchase price per share provided for in the options, rights or warrants at the time of issuance, plus the consideration (determined in the same manner as consideration received on the issue or sale of shares in accordance with the terms of the Warrants), if any, received by the Company for the options, rights or warrants, and if no minimum price is provided in the options, rights or warrants, then the consideration shall be equal to zero; provided, however, that upon the expiration or other termination of the options, rights or warrants, if any thereof shall not have been exercised, the number of shares of Common Stock deemed to be issued and outstanding pursuant to this subsection (a) (and for the purposes of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which options, warrants and/or rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to be issued and outstanding, and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of shares actually issued or issuable upon the exercise of those options, rights or warrants as to which the exercise rights shall not have expired or terminated unexercised.

(b) The aggregate maximum number of shares of Common Stock issuable upon conversion or exchange of any convertible or exchangeable securities shall be deemed to be issued and outstanding at the time of issuance of such securities, and for a consideration equal to the consideration (determined in the same manner as consideration received on the issue or sale of shares of Common Stock in accordance with the terms of the Warrants) received by the Company for such securities, plus the minimum consideration, if any, receivable by the Company upon the conversion or exchange thereof; provided, however, that upon the termination of the right to convert or exchange such convertible or exchangeable securities (whether by reason of redemption or otherwise), the number of shares deemed to be issued and outstanding pursuant to this subsection (b) (and for the purpose of subsection (v) of Section 7.1 hereof) shall be reduced by such number of shares as to which the conversion or exchange rights shall have expired or terminated unexercised, and such number of shares shall no longer be deemed to

be issued and outstanding and the Exercise Price then in effect shall forthwith be readjusted and thereafter be the price which it would have been had adjustment been made on the basis of the issuance only of the shares actually

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issued or issuable upon the conversion or exchange of those convertible or exchangeable securities as to which the conversion or exchange rights shall not have expired or terminated unexercised.

(c) If any change shall occur in the price per share provided for in any of the options, rights or warrants referred to in subsection (a) of this Section 7.2, or in the price per share at which the securities referred to in subsection (b) of this Section 7.2 are convertible or exchangeable, the options, rights or warrants or conversion or exchange rights, as the case may be, shall be deemed to have expired or terminated on the date when such price change became effective in respect of shares not theretofore issued pursuant to the exercise or conversion or exchange thereof, and the Company shall be deemed to have issued upon such date new options, rights or warrants or convertible or exchangeable securities at the new price in respect of the number of shares issuable upon the exercise of such options, rights or warrants or the conversion or exchange of such convertible or exchangeable securities.

7.3 Subdivision and Combination. In case the Company shall at any time subdivide or combine the outstanding shares of Common Stock, the Exercise Price shall forthwith be proportionately decreased in the case of subdivision or increased in the case of combination.

7.4 Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Article 7, the number of Shares issuable upon the exercise of each Warrant shall be adjusted to the nearest full Share by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of Shares issuable upon exercise of the Warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

7.5 Reclassification, Consolidation, Merger, etc. In case of any reclassification or change of the outstanding shares of Common Stock (other than a change in par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in the case of any consolidation of the Company with, or merger of the Company into, another corporation (other than a consolidation or merger in which the Company is the surviving corporation and which does not result in any reclassification or change of the outstanding shares of Common Stock, except a change as a result of a subdivision or combination of such shares or a change in par value, as aforesaid), or in the case of a sale or conveyance to another corporation of the property of the Company as an entirety, the Holders shall thereafter have the right to purchase the kind and number of shares of stock and other securities and property receivable upon such reclassification, change, consolidation, merger, sale or conveyance as if the Holders were the owners of the shares of Common Stock underlying the Warrants immediately prior to any such events at a price equal to the product of (x) the number of shares issuable upon exercise of the Warrants and (y) the Exercise Price in effect immediately prior to the record date for such reclassification, change, consolidation, merger, sale or conveyance as if such Holders had exercised the Warrants.

7.6 No Adjustment of Exercise Price in Certain Cases. No adjustment of the Exercise Price shall be made:

(a) Upon the issuance or sale of shares of Common Stock upon the exercise of the Warrants; or

(b) Upon (i) the issuance of options pursuant to the Company's employee stock option plan in effect on the date hereof or the issuance or sale by the Company of any shares of Common Stock pursuant to the exercise of any such options, or (ii) the issuance or sale

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by the Company of any shares of Common Stock pursuant to the exercise of any options or warrants previously issued and outstanding on the date hereof; or

(c) Upon the issuance of shares of Common Stock pursuant to contractual obligations existing on the date hereof; or

(d) If the amount of said adjustment shall be less than 2 cents (2(cent)) per Share, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 2 cents (2(cent)) per Share.

7.7 Dividends and Other Distributions with Respect to Outstanding Securities. In the event that the Company shall at any time prior to the exercise of all Warrants declare a dividend (other than a dividend consisting solely of shares of Common Stock or a cash dividend or distribution payable out of current or retained earnings) or otherwise distribute to its shareholders any monies, assets, property, rights, evidences of indebtedness, securities (other than shares of Common Stock), whether issued by the Company or by another person or entity, or any other thing of value, the Holder or Holders of the unexercised Warrants shall thereafter be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise thereof, to receive, upon the exercise of such Warrants, the same monies, property, assets, rights, evidences of indebtedness, securities or any other thing of value that they would have been entitled to receive at the time of such dividend or distribution. At the time of any such dividend or distribution, the Company shall make appropriate reserves to ensure the timely performance of the provisions of this Subsection 7.7.

7.8 Subscription Rights for Shares of Common Stock or Other Securities. In the case the Company or an affiliate of the Company shall at any time after the date hereof and prior to the exercise of all the Warrants issue any rights to subscribe for shares of Common Stock or any other securities of the Company or of such affiliate to all the shareholders of the Company, the Holders of the unexercised Warrants shall be entitled, in addition to the shares of Common Stock or other securities receivable upon the exercise of the Warrants, to receive such rights at the time such rights are distributed to the other shareholders of the Company.

8. Exchange and Replacement of Warrant Certificates.

Each Warrant Certificate is exchangeable without expense, upon the surrender hereof by the registered Holder at the principal executive office of the Company, for a new Warrant Certificate of like tenor and date representing in the aggregate the right to purchase the same number of Shares in such denominations as shall be designated by the Holder thereof at the time of such surrender.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Warrants, if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor, in lieu thereof.

9. Elimination of Fractional Interests.

The Company shall not be required to issue certificates representing fractions of shares of Common Stock and shall not be required to issue scrip or pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up to

the nearest whole number of shares of Common Stock.

10. Reservation and Listing of Securities.

The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of the Warrants, such number of shares of Common Stock as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Warrants and payment of the Exercise Price therefor, all shares of Common Stock issuable upon such exercise shall be duly and validly issued, fully paid, nonassessable and not subject to the preemptive rights of any shareholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon the exercise of the Warrants to be listed on or quoted on the electronic bulletin board, by NASDAQ or listed on such national securities exchanges as requested by the Placement Agent.

11. Notices to Warrant Holders.

Nothing contained in this Agreement shall be construed as conferring upon the Holder or Holders the right to vote or to consent or to receive notice as a shareholder in respect of any meetings of shareholders for the election of directors or any other matter, or as having any rights whatsoever as a shareholder of the Company. If, however, at any time prior to the expiration of the Warrants and their exercise, any of the following events shall occur:

(a) the Company shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of current or retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; or

(b) the Company shall offer to all the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property, assets and business as an entirety shall be proposed;

then, in any one or more of said events, the Company shall give written notice of such event at least fifteen (15) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the shareholders entitled to such dividend, distribution, convertible or exchangeable securities or subscription rights, options or warrants, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to give such notice or any defect therein shall not affect the validity of

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any action taken in connection with the declaration or payment of any such dividend or distribution, or the issuance of any convertible or exchangeable securities or subscription rights, options or warrants, or any proposed dissolution, liquidation, winding up or sale.

12. Notices.

All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered, or mailed by registered or certified mail, return receipt requested:

(a) If to a registered Holder of the Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in Section 3 of this

Agreement or to such other address as the Company may designate by notice to the Holders.

13. *Supplements and Amendments.*

The Company and the Placement Agent may from time to time supplement or amend this Agreement without the approval of any Holders of Warrant Certificates in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Placement Agent may deem necessary or desirable and which the Company and the Placement Agent deem not to adversely affect the interests of the Holders of Warrant Certificates.

14. *Successors.*

All the covenants and provisions of this Agreement by or for the benefit of the Company and the Holders inure to the benefit of their respective successors and assigns hereunder.

15. *Termination.*

This Agreement shall terminate at the close of business on May _____, 2003. Notwithstanding the foregoing, this Agreement will terminate on any earlier date when all Warrants have been exercised and all the Shares issuable upon exercise of the Warrants have been resold to the public; provided, however, that the provisions of Article 6 shall survive such termination until the close of business on May _____, 2003.

16. *Governing Law.*

This Agreement and each Warrant Certificate hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the principles of conflict of laws. Any dispute or controversy between the parties arising in connection with this Agreement or the subject matter contemplated by this Agreement shall be resolved by arbitration before a three-member panel of the American Arbitration Association in accordance with the commercial arbitration rules of said forum and the Federal Arbitration Act, 9 U.S.C. 1 et seq., with the resulting award being final and conclusive. Said arbitrators shall be empowered to award all forms of relief and damages claimed, including, but not limited to, attorney's fees, expenses of litigation and arbitration, exemplary damages, and prejudgment interest. The

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parties further agree that any arbitration action between them shall be heard in Atlanta, Georgia, and expressly consent to the jurisdiction and venue of the Superior Court of Fulton County, Georgia, and the United States District Court for the Northern District of Georgia, Atlanta Division for the adjudication of any civil action asserted pursuant to this Paragraph.

17. *Benefits of This Agreement.*

Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Placement Agent and any other registered holder or holders of the Warrant Certificates, Warrants or the Shares any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole and exclusive benefit of the Company and the Placement Agent and any other holder or holders of the Warrant Certificates, Warrants or the Shares.

18. *Counterparts.*

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

By: _____
Name: Joseph Fiore
Title: Chairman of the Board, Chief
Executive Officer, and Chief
Financial Officer

Attest: _____
Name: _____
Title: _____

J.P. CAREY SECURITIES, INC.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

EXHIBIT A

THE WARRANTS REPRESENTED BY THIS CERTIFICATE AND THE OTHER SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (ii) TO THE EXTENT APPLICABLE, PURSUANT TO RULE 144 UNDER SUCH ACT (OR ANY SIMILAR RULE UNDER SUCH ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) UPON THE DELIVERY BY THE HOLDER TO THE COMPANY OF AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, STATING THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS AVAILABLE.

THE TRANSFER OR EXCHANGE OF THE WARRANTS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE WARRANT AGREEMENT REFERRED TO HEREIN.

EXERCISABLE ON OR BEFORE
5:00 P.M., EASTERN STANDARD TIME, May _____, 2003

No. _____ Warrants

WARRANT CERTIFICATE

This Warrant Certificate certifies that J.P. Carey Securities, Inc. ("J.P. Carey") or registered assigns, is the registered holder of _____ Warrants to purchase, at any time from May _____, 1998, until 5:00 P.M. Eastern Standard Time on May _____, 2003 ("Expiration Date"), up to _____ shares ("Shares") of fully-paid and non-assessable common stock, no par value ("Common Stock"), of Eat At Joe's Ltd., a Delaware corporation (the "Company"), at the Initial Exercise Price, subject to adjustment in certain events (the "Exercise Price"), of \$_____ per Share upon surrender of this Warrant Certificate and payment of the Exercise Price at an office or agency of the Company, but subject to the conditions set forth herein and in the warrant agreement dated as of May _____, 1998, between the Company and J.P. Carey (the "Warrant Agreement"). Payment of the Exercise Price may be made in cash, or by certified or official bank check in New York Clearing House funds payable to the order of the Company, or any combination of cash or check.

No Warrant may be exercised after 5:00 P.M., Eastern Standard Time, on the Expiration Date, at which time all Warrants evidenced hereby, unless exercised prior thereto, shall thereafter be void.

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants issued pursuant to the Warrant Agreement, which Warrant Agreement is hereby incorporated by reference in and made a part of this

instrument and is hereby referred to in a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants.

The Warrant Agreement provides that upon the occurrence of certain events, the Exercise Price and/or number of the Company's securities issuable thereupon may, subject to certain conditions, be adjusted. In such event, the Company will, at the request of the holder, issue a new Warrant Certificate evidencing the adjustment in the Exercise Price and the number and/or type of securities issuable upon the exercise of the Warrants; provided, however, that the failure of the Company to issue such new Warrant Certificates

shall not in any way change, alter, or otherwise impair, the rights of the holder as set forth in the Warrant Agreement.

Upon due presentment for registration of transfer of this Warrant Certificate at an office or agency of the Company, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferees) in exchange for this Warrant Certificate, subject to the limitations provided herein and in the Warrant Agreement, without any charge except for any tax, or other governmental charge imposed in connection therewith.

Upon the exercise of less than all of the Warrants evidenced by this Certificate, the Company shall forthwith issue to the holder hereof a new Warrant Certificate representing such number of unexercised Warrants.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, and of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

All terms used in this Warrant Certificate which are defined in the Warrant Agreement shall have the meanings assigned to them in the Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated: _____, 1998 EAT AT JOE'S LTD.

By: _____
Name: _____
Title: _____

Attest: _____
Name: _____
Title: _____

[FORM OF ELECTION TO PURCHASE]

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase _____ Shares and herewith tenders in payment for such Shares cash or a certified or official bank check payable in New York Clearing House Funds to the order of _____ in the amount of \$ _____, all in accordance with the terms hereof. The undersigned requests that a certificate for such Shares be registered in the name of _____ whose address is _____, and that such Certificate be delivered to _____, whose address is _____

_____ .
Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

[FORM OF ASSIGNMENT]

(To be executed by the registered holder if such holder desires to transfer the Warrant Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the within Warrant Certificate on the books of the within-named Company, with full power of substitution.

Dated: Signature: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate)

(Insert Social Security or Other Identifying Number of Assignee)

EXHIBIT 21

SUBSIDIARIES OF THE COMPANY

Eat Joe's U of P., Inc.
A. J. Phil, Airport, Inc.
Eat at Joe's Gallery, Inc.
A. J. Enterprises, Inc.
Eat at Joe's Harborplace, Inc.
A. J. Shoppington, Inc.
Eat at Joe's Neshaminy, Inc.
Eat at Joe's Plymouth Incorporated
E. A. J. Danbury, Inc.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE OF EAT AT JOE'S LTD. AS OF DECEMBER 31, 1997 AND THE RELATED STATEMENTS OF OPERATIONS AND CASH FLOWS FOR THE YEAR THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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