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

U.S. Securities and Exchange Commission

Washington, D.C. 20549

Form 10-QSB

(Mark One)

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

For the quarterly period ended: June 30, 1998

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from to

Commission file number 33-20111

Eat at Joe's Ltd.
(Exact name of small business issuer as specified in its charter)

Delaware	75-2636283
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

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

(914) 725-2700
Issuer's telephone number

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

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

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date: August 13, 1998 12,733,805

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	(Unaudited) June 30, 1998	December 31, 1997
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 429,538	$ 232,601
Inventory	8,757	7,488
Other	400	400
Prepaid Expense	--	30,993
Deposits	39,284	12,701
Total Current Assets	477,979	284,183
Property and Equipment:		
Equipment	942,929	279,667
Office Furniture	8,626	1,000
Leasehold Improvements	3,120,287	665,643
	4,071,842	946,310
Less Accumulated Depreciation	(65,556)	(11,546)
	4,006,286	934,764
Other Assets:		
Intangible and Other Assets, Net	256,482	234,569
Deferred Development Costs	--	861,456
Total Other Assets	256,482	1,096,025
Total Assets	$ 4,740,747	$ 2,314,972

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

	(Unaudited) June 30, 1998	December 31, 1997
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$ 90,014	$ 347,295
Short-Term Notes Payable	2,054,940	304,940
Shareholder Loans	452,455	702,922
Total Liabilities	2,597,409	1,355,157
Stockholders' Equity:		
Preferred Stock - $.0001 par value, 10,000,000 shares authorized; Series A Convertible, 51 issued and outstanding June 30, 1998, Series B Convertible,		

64 shares issued and outstanding June 30, 1998, none issued and outstanding December 31, 1997	1	--
Common Stock - $.0001 par value, 50,000,000 shares authorized, 12,733,805 issued and outstanding	1,273	1,273
Additional Paid-In Capital	4,045,263	2,244,299
Retained Deficit	(1,903,199)	(1,285,757)
Total Stockholders' Equity	2,143,338	959,815
Total Liabilities and Stockholders' Equity	$ 4,740,747	$ 2,314,972

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

<TABLE>

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

<CAPTION>

	For the Three Months Ended June 30, 1998	For the Three Months Ended June 30, 1997	For the Six Months Ended June 30, 1998	For the Six Months Ended June 30, 1997
<S>	<C>	<C>	<C>	<C>
Revenues	$ 316,397	$ --	$ 463,744	$ --
Cost of Revenues	210,355	--	331,102	--
Gross Margin	106,042	--	132,642	--
Expenses				
General and Administrative	372,521	130,171	756,107	169,029
Net loss from Continuing Operations	(266,479)	(130,171)	(623,465)	(169,029)
Other Income (Expense) Net	35	1,926	611	1,932
Net Loss Before Income Taxes	(266,444)	(128,245)	(622,854)	(167,097)
Income Tax Expense (Benefit)	--	--	--	--
Net Loss	$ (266,444)	$ (128,245)	$ (622,854)	$ (167,097)
Net Loss Per Share - Basic and Diluted	$ (0.02)	$ (0.01)	$ (0.05)	$ (0.02)
Weighted Average Number of Common Shares	12,733,805	12,478,977	12,733,805	9,466,549

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

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

<CAPTION>

	For the Three Months Ended June 30, 1998	For the Three Months Ended June 30, 1997	For the Six Months Ended June 30, 1998	For the Six Months Ended June 30, 1997
<S>	<C>	<C>	<C>	<C>
Cash Flows from Operating Activities:				
Net loss for the period	$ (266,444)	$(128,245)	$ (622,854)	$(167,097)
Adjustments to Reconcile net loss to net cash provided by operating activities				
Depreciation and amortization	47,543	--	56,426	--
Payment of organization costs	(24,329)	--	(24,329)	(8,657)
(Increase) decrease in:				
Inventory	(2,127)	--	(1,269)	--
Prepaid expense	8,333	(12,750)	30,993	(11,825)
Deposits	(8,683)	--	(26,583)	14,009
Increase (decrease) in:				
Accounts payable	(132,167)	4,734	(257,281)	16,399
Accrued expenses	--	(7,235)	--	1,210
Net Cash Used in Operating Activities:	(377,874)	(143,496)	(844,897)	(155,961)
Cash Flows From Investing Activities:				
Payment of deferred development costs	--	(54,892)	--	(101,269)
Purchase of property and equipment	(1,867,265)	--	(2,264,076)	(13,495)
Net Cash Used by Investing Activities:	(1,867,265)	(54,892)	(2,264,076)	(114,764)
Cash Flows From Financing Activities:				
Issuance of convertible preferred stock ...	1,008,747	--	1,806,377	--
Issuance of common stock	--	300,000	--	700,000
Proceeds from short-term notes payable	795,000	--	1,750,000	--
Advances to (from) majority stockholder ...	43,825	--	(250,467)	14,000
Net Cash Provided by Financing Activities ...	1,847,572	300,000	3,305,910	714,000
Increase in Cash	(397,567)	101,612	196,937	443,275
Cash at Beginning of Period	827,105	376,635	232,601	34,972
Cash at End of Period	$ 429,538	$ 478,247	$ 429,538	$ 478,247

</TABLE>

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

<CAPTION>

	For the Three Months Ended June 30, 1998	For the Three Months Ended June 30, 1997	For the Six Months Ended June 30, 1998	For the Six Months Ended June 30, 1997
<S>	<C>	<C>	<C>	<C>
Supplemental Disclosure of Interest and Income Taxes Paid				
Interest paid for the period	$ (4,459)	$ --	$ --	$ --
Income taxes paid for the period	$ 1,271	$ --	$ 3,871	$ --
Supplemental Disclosure of Non-cash Investing and Financing Activities				
Deferred development costs acquired with issuance of common stock	$ --	$ --	$ --	$ 149,837
Organization costs acquired with issuance of common Stock	$ --	$ --	$ --	$ 200

The accompanying notes are an integral part of these financial statements.
</TABLE>

EAT AT JOE'S LTD., AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 1998
(Unaudited)

1. Interim Reporting

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles and with Form 10-QSB requirements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the *six month period ended June 30, 1998, are not necessarily indicative of the results that may be expected for the year ended December 31, 1998. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 1997.*

2. Series A and Series B Convertible Preferred Stock

On March 2, 1998 the Company, through J.P. Carey, Inc as underwriters, issued 51 shares (the "shares") of Series A Convertible Preferred Stock for a total offering price of $1,018,315 less underwriting fees of $120,800. The shares were issued pursuant to a private placement under Regulation D under the Securities Act of 1933, as amended. In May, 1998 the Company, through J.P. Carey, Inc as underwriters, issued 64 shares (the "shares") of Series B Convertible Preferred Stock for a total offering price of $1,279,980 less underwriting fees of $254,742. The shares were issued pursuant to a private placement under Regulation D under the Securities Act of 1933, as amended.

Dividends - The shares will pay a dividend of 3% per annum, payable in arrears. The Company may at its option, pay interest in shares of common stock or in cash on a quarterly basis. The number of shares of common stock issued shall be determined by dividing the cash amount of interest then owed by the conversion price (as defined herein) then in effect. Cash interest shall be calculated based upon the actual number of days elapsed during any interest period in a year of 360 days.

Conversion - The shares are convertible into common stock at a price ("conversion price") equal to the lower of 120% of the five trading day average closing bid price of the common stock previous to the closing of the transaction or the discounted average stock price on the date of conversion. The discounted average stock price is defined as 75% of the average of the daily closing bid prices of the common stock for the five consecutive trading days immediately preceding the date of conversion notice. The Company may require conversion of the entire balance of unconverted shares after two years from the closing date.

Registration - The Company will be required to file a registration statement covering the

resale of shares of common stock received upon conversion of the shares to permit the holder(s) thereof to resell the shares without restrictions. The company will be required to file the registration statement, with the Securities Exchange Commission ("SEC"), using all reasonable efforts to file within 45 days of the closing date of the transaction. In addition, the Company shall use its best efforts to have the registration statement declared effective at the earlier of (a) ninety (90) days from the closing of the transaction or (b) five (5) days after receiving a "No-Review" status from the SEC. Such registration statement shall be kept current and effective for a period through twelve (12) months from the date of the closing of transaction.

Right to Redeem - The Company also maintains the right to redeem, in cash and in whole or in part, all unconverted shares or shares that have not been submitted to the company for conversion, at a rate of 120% of the principal amount. The Company must give investors a 30 day notice of such a redemption.

In connection with the private placements, the Company has issued warrants to purchase 256,000 shares of the Company's common stock, subject to adjustment. The warrants are exercisable at $1.49 - $1.79 per share and expire on March 20, 2003 - May 22, 2003.

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.

3. Certain Transactions

During March 1998, the Company entered into a 12 month agreement with the Wall Street Group, Inc. ("Wall Street") calling for Wall Street to act as a financial public relations counsel to the Company. The agreement calls for monthly payments of $5,000 for services rendered and grants a five year option to Wall Street to acquire 61,350 shares of the Company's common stock at $1.63 per share.

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

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

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

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

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

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

Results of Operations - From March 1, 1990 to December 12, 1995 the Company was an inactive corporation. On December 12, 1995 the Company was reactivated and since that date until November 1997 the Company continued to be a development stage company and had not begun principal operations. During November and December, 1997 two restaurants were opened and began operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company has generated minimal revenues from product sales. Revenues are not yet sufficient to support the Company's operating expenses, however, the Company is cautiously optimistic that operating revenues will be adequate to meet operating expenses during the next year. Since the Company's formation, it has funded its operations and capital expenditures primarily through private placements of debt and equity securities. The Company will be required to seek additional financing in the future. There can be no assurance that such financing will be available at all or available on terms acceptable to the Company.

There are no formal commitments from banks or other lending sources for lines of credit or similar short-term borrowing.

The increase in capital resources for 1998 and 1997 is attributable to the private placement of Preferred and Common Stock and the issuance of debt.

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

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 2. Changes in Securities

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The shares are convertible into common stock at a price ("conversion price") equal to the lower of 120% of the five trading day average closing bid price of the common stock previous to the closing of the transaction or the discounted average stock price on the date of conversion. The discounted average stock price is defined as 75% of the average of the daily closing bid prices of the common stock for the five consecutive trading days immediately preceding the date of conversion notice. The Company may require conversion of the entire balance of unconverted shares after two years from the closing date.

The Company also maintains the right to redeem, in cash and in whole or in part, all unconverted shares or shares that have not been submitted to the company for conversion, at a rate of 120% of the principal amount. The Company must give investors a 30 day notice of such a redemption.

In connection with the private placements, the Company has issued warrants to purchase 256,000 shares of the Company's common stock, subject to adjustment. The warrants are exercisable at $1.49 - $1.79 per share and expire on March 20, 2003 - May 22, 2003.

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 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 tights, 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.

The right of holders 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.

Item 3. Defaults Upon Senior Securities

None.

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

None

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

The Company did not file a report on Form 8-K during the three months ended June 30, 1998.

SIGNATURES

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

EAT AT JOE'S LTD.
(Registrant)

DATE: August 14, 1998 *By: /s/ Joseph Fiore*

Joseph Fiore
C.E.O., Chairman, Secretary, Director
(Principal financial and Accounting Officer)

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE OF EAT AT JOE'S LTD. AS OF JUNE 30, 1998 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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