

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 2011

or

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 registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

75-2636283

(IRS Employer Identification No.)

670 White Plains Road, Suite 120, Scarsdale, New York, 10583

(Address of principal executive offices)

(914) 725-2700

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of June 30, 2011, there were 106,577,710 shares of the Registrant's common stock, par value \$0.0001, issued, and 20,000 shares of Series E Convertible preferred stock (convertible to 9,174,312 common shares), par value \$0.0001.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

| | (Unaudited) June 30, 2011 | December 31, 2010 |
|-------------------------------|---------------------------------|----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,027,919 | \$ 1,212,018 |
| Receivables | 12,534 | 12,900 |
| Inventory | 11,060 | 11,060 |
| Prepaid expense | 17,347 | 17,347 |
| Security Deposit | 15,000 | - |
| Trading securities | 464,383 | 173,266 |
| Available-for-sale securities | 209,570 | 55,050 |
| Advances | 320,000 | - |
| | <u>2,077,813</u> | <u>1,481,641</u> |
| Total Current Assets | | |
| Property and equipment: | | |
| Equipment | 205,548 | 123,421 |
| Furniture & Fixtures | 3,964 | 3,964 |
| Leasehold improvements | 650,802 | 381,133 |
| | <u>860,314</u> | <u>508,518</u> |
| Less accumulated depreciation | <u>(504,162)</u> | <u>(500,577)</u> |
| Total Property & Equipment | <u>356,152</u> | <u>7,941</u> |
| TOTAL ASSETS | <u>\$ 2,433,965</u> | <u>\$ 1,489,582</u> |

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

| | (Unaudited) June 30, 2011 | December 31, 2010 |
|--|---------------------------------|--------------------------------|
| | <u>2011</u> | <u>2010</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 205,722 | \$ 179,423 |
| Related party accounts payable | 8,784 | 8,784 |
| Short-term notes payable | 172,870 | 172,870 |
| Related party notes payable | 3,029,226 | 2,483,999 |
| Convertible debentures | <u>2,043,702</u> | <u>2,043,702</u> |
| Total Current Liabilities | <u>5,460,304</u> | <u>4,888,778</u> |
| Non-Current Liabilities: | | |
| Related party notes payable | <u>217,373</u> | <u>210,965</u> |
| Total Liabilities | <u>5,677,677</u> | <u>5,099,743</u> |
| STOCKHOLDERS' DEFICIT | | |
| Preferred stock - \$0.0001 par value. 10,000,000 shares authorized; 20,000 Series E shares issued and outstanding | | |
| | 2 | 2 |
| Common Stock - \$0.0001 par value. 250,000,000 shares authorized; 106,577,710 issued and outstanding June 30, 2011 and December 31, 2010. | | |
| | 10,658 | 10,658 |
| Additional paid-in capital | 13,570,485 | 13,370,485 |
| Unrealized gain on available-for-sale securities | 133,570 | (20,950) |
| Retained deficit | <u>(16,958,427)</u> | <u>(16,970,356)</u> |
| Total Stockholders' Deficit | <u>(3,243,712)</u> | <u>(3,610,161)</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | <u><u>\$ 2,433,965</u></u> | <u><u>\$ 1,489,582</u></u> |

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

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

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--|--|---------------------|--------------------------------------|---------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenues | \$ 163,881 | \$ 290,525 | \$ 334,973 | \$ 572,651 |
| Cost of Revenues | 22,861 | 89,233 | 84,935 | 207,374 |
| Gross Margin | <u>141,020</u> | <u>201,292</u> | <u>250,038</u> | <u>365,277</u> |
| Expenses | | | | |
| Labor and Related Expenses | 67,101 | 78,144 | 133,039 | 162,316 |
| Rent | 20,705 | 53,913 | 55,844 | 100,697 |
| Depreciation and Amortization | 2,499 | 1,180 | 3,585 | 2,440 |
| Other General and Administrative | 27,789 | 81,863 | 59,858 | 116,629 |
| Total Operating Expenses | <u>118,094</u> | <u>215,100</u> | <u>252,326</u> | <u>382,082</u> |
| Net Operating Income (Loss) | <u>22,926</u> | <u>(13,808)</u> | <u>(2,288)</u> | <u>(16,805)</u> |
| Other Income (Expense) | | | | |
| Interest Income | 796 | 2,669 | 1,917 | 6,420 |
| Dividend Income | 9 | 20 | 11 | 36 |
| Interest Expense | (38,060) | (36,226) | (74,135) | (73,008) |
| Unrealized Gain (loss) on Trading Securities | 4,899 | 40,740 | (75,653) | (137,238) |
| Gain (Loss) on Sale of Marketable Securities | 162,077 | (172,276) | 162,077 | (143,884) |
| Net Other Income (Expense) | <u>129,923</u> | <u>(165,073)</u> | <u>14,217</u> | <u>(347,674)</u> |
| Net Income (Loss) Before Income Taxes | \$ 152,647 | \$ (178,881) | \$ 11,929 | \$ (364,479) |
| Income Tax (Expense) Benefit | - | - | - | - |
| Net Income (Loss) | <u>\$ 152,647</u> | <u>\$ (178,881)</u> | <u>\$ 11,929</u> | <u>\$ (364,479)</u> |
| Basic and Diluted Loss Per Common Share: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Weighted Average Number of Common Shares Outstanding | | | | |
| Basic | <u>106,577,710</u> | <u>106,577,710</u> | <u>106,577,710</u> | <u>106,577,710</u> |
| Diluted | <u>115,752,022</u> | <u>119,077,710</u> | <u>115,752,022</u> | <u>119,077,710</u> |

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

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

| | For the six months ended | |
|--|--------------------------|--------------|
| | June 30, | |
| | 2011 | 2010 |
| Cash Flows From Operating Activities | | |
| Net gain (loss) for the period | \$ 11,929 | \$ (364,479) |
| Adjustments to reconcile net loss to net cash | | |
| Provided by operating activities | | |
| Depreciation and amortization | 3,585 | 2,440 |
| Unrealized (gain) loss on trading securities | 75,653 | 137,238 |
| (Gain) Loss on sale of marketable securities | (162,077) | 143,884 |
| Decrease (Increase) in receivables | 366 | 1,672 |
| Decrease (Increase) in inventory | | (2,781) |
| Decrease (Increase) in prepaid expense | - | (1,299) |
| Decrease (Increase) in security deposit | (15,000) | - |
| (Decrease) Increase in accrued interest payable | 74,135 | 73,008 |
| (Decrease) Increase in accounts payable and accrued liabilities | 26,299 | (7,170) |
| Net Cash Used in Operating Activities | 14,890 | (17,487) |
| Cash Flows From Investing Activities | | |
| Advance to investment company | (320,000) | - |
| Purchases of trading securities | (180) | (7,234) |
| Purchases of available-for-sale securities | - | (25,000) |
| Proceeds from sale of trading securities | 480,487 | 193,016 |
| Proceeds from sale of available-for-sale securities | - | - |
| Purchase of property and equipment | (351,796) | - |
| Net Cash Provided by Investing Activities | (191,489) | 160,782 |
| Cash Flows From Financing Activities | | |
| Repayment of notes, advances and related party payables | (7,500) | (220,000) |
| Net Cash Provided by Financing Activities | (7,500) | (220,000) |
| Increase (Decrease) in Cash | (184,099) | (76,705) |
| Cash at beginning of period | 1,212,018 | 1,238,747 |
| Cash at end of period | \$ 1,027,919 | \$ 1,162,042 |
| Supplemental Disclosure of Interest and Income Taxes Paid | | |
| Interest paid during the period | \$ - | \$ - |
| Income taxes paid during the period | \$ - | \$ - |
| Supplemental Disclosure of Non-cash Investing and Financing Activities: | | |
| Marketable securities acquired through related party notes and contributed capital | \$ 685,000 | \$ - |
| Unrealized gain (loss) on trading securities | \$ 75,653 | \$ (137,238) |

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

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010

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

Eat At Joe's Ltd. (Company) was incorporated on January 6, 1988, under the laws of the State of Delaware, as a wholly-owned subsidiary of Debbie Reynolds Hotel and Casino, Inc. (DRHC) (formerly Halter Venture Corporation or Halter Racing Stables, Inc.) a publicly-owned corporation. DRHC caused the Company to register 1,777,000 shares of its initial 12,450,000 issued and outstanding shares of common stock with the Securities and Exchange Commission on Form S-18. DRHC then distributed the registered shares to DRHC stockholders.

During the period September 30, 1988 to December 31, 1992, the Company remained in the development stage while attempting to enter the mining industry. The Company acquired certain unpatented mining claims and related equipment necessary to mine, extract, process and otherwise explore for kaolin clay, silica, feldspar, precious metals, antimony and other commercial minerals from its majority stockholder and other unrelated third-parties. The Company was unsuccessful in these start-up efforts and all activity was ceased during 1992 as a result of foreclosure on various loans in default and/or the abandonment of all assets. From 1992 until 1996 the Company had no operations, assets or liabilities.

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

Basis of Presentation

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

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

Basis of Presentation (continued)

The Company has incurred net income (loss) for the six months ended June 30, 2011 and 2010 of \$11,929 (\$364,479), respectively and the Company provided (used) cash from operations of \$14,890 and (\$17,487), respectively. As of June 30, 2011, the Company had a working capital deficit of \$3,382,491. These conditions raise substantial doubt as to the Company's ability to continue as a going concern.

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

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

Nature of Business

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

Principles of Consolidation

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

On January 29, 2010, the Company filed certificates of dissolution with the State of Nevada for E.A.J. Echelon, Inc., E.A.J. Owings, Inc., and Regency Communications Group, Inc. (formerly E.A.J. Neshaminy, Inc.).

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

Inventories

Inventories consist of food, paper items and related materials and are stated at the lower of cost (first-in, first-out method) or market.

Revenue Recognition

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

Income Taxes

The Company accounts for income taxes under the provisions of ASC 740 (formerly SFAS No. 109, "Accounting for Income Taxes"). ASC 740 requires recognition of deferred income tax assets and liabilities for the expected future income tax consequences, based on enacted tax laws, of temporary differences between the financial reporting and tax bases of assets and liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Depreciation

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

| | |
|------------------------|------------|
| Furniture & fixtures | 5-10 years |
| Equipment | 5- 7 years |
| Leasehold improvements | 8-15 years |

Maintenance and repairs are charged to operations; betterments are capitalized. The cost of property sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts, and any resulting gain or loss is credited or charged to income.

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

Amortization

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

The Company has adopted the Financial Accounting Standards Board ASC 350 (formerly SFAS No., 142, "Goodwill and Other Intangible Assets"). ASC 350 requires, among other things, that companies no longer amortize goodwill, but instead test goodwill for impairment at least annually. In addition, ASC requires that the Company identify reporting units for the purposes of assessing potential future impairments of goodwill, reassess the useful lives of other existing recognized intangible assets, and cease amortization of intangible assets with an indefinite useful life. An intangible asset with an indefinite useful life should be tested for impairment in accordance with the guidance in ASC 350.

The Company has adopted Financial Accounting Standards Board ASC 360 (formerly Statement No. 144). ASC 360 requires that long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

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

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

Recent Accounting Standards

In December 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-29 (ASU 2010-29), *Business Combinations (Topic 805) – Disclosure of Supplementary Pro Forma Information for Business Combinations*. This Accounting Standards Update requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The amendments in this Update affect any public entity as defined by Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-29 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued Accounting Standards Update 2010-22 (ASU 2010-22), *Accounting for Various Topics -- Technical Corrections to SEC Paragraphs - An announcement made by the staff of the U.S. Securities and Exchange Commission*. This Accounting Standards Update amends various SEC paragraphs based on external comments received and the issuance of SAB 112, which amends or rescinds portions of certain SAB topics. The Company does not expect the provisions of ASU 2010-22 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued Accounting Standards Update 2010-21 (ASU 2010-21), *Accounting for Technical Amendments to Various SEC Rules and Schedules: Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies*. The Company does not expect the provisions of ASU 2010-21 to have a material effect on its financial position, results of operations or cash flows.

In July 2010, the FASB issued Accounting Standards Update 2010-20 (ASU 2010-20), *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. The amendments in this Update are to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. The disclosures about activity that occurs during the reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. The Company does not expect the provisions of ASU 2010-20 to have a material effect on its financial position, results of operations or cash flows.

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

In April 2010, the FASB issued Accounting Standards Update 2010-17 (ASU 2010-17), *Revenue Recognition – Milestone Method (Topic 605)*. ASU 2010-17 provides guidance on applying the milestone method of revenue recognition in arrangements with research and development activities. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The Company's adoption of the provisions of ASU

2010-17 did not have a material impact on its revenue recognition.

In March 2010, the FASB issued Accounting Standards Update 2010-11 (ASU 2010-11), *Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives*. The amendments in this Update are effective for each reporting entity at the beginning of its first fiscal quarter beginning after June 15, 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after issuance of this Update. The Company's adoption of the provisions of ASU 2010-11 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB Accounting Standards Update 2010-10 (ASU 2010-10), *Consolidation (Topic 810): Amendments for Certain Investment Funds*. The amendments in this Update are effective as of the beginning of a reporting entity's first annual period that begins after November 15, 2009 and for interim periods within that first reporting period. Early application is not permitted. The Company's adoption of provisions of ASU 2010-10 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB issued ASU No. 2010-09 *Subsequent Events (ASC Topic 855) - Amendments to Certain Recognition and Disclosure Requirements* (ASU 2010-09). ASU No. 2010-09 requires an entity that is an SEC filer to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial position, results of operations or cash flows.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amends FASB Accounting Standards Codification ("ASC") 820 and clarifies and provides additional disclosure requirements related to recurring and non-recurring fair value measurements and employers' disclosures about postretirement benefit plan assets. This ASU is effective for interim and annual reporting periods beginning after December 15, 2009. The adoption of ASU 2010-06 did not have a material impact on the Company's financial statements.

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

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

Earnings (Loss) Per Share

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

Diluted net income per common share was calculated based on an increased number of shares that would be outstanding assuming that the preferred shares were converted to 9,174,312 and 12,500,000 common shares as of June 30, 2011 and 2010, respectively. The effect of outstanding common stock equivalents are anti-dilutive for 2011 and 2010 and are thus not considered.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements. The Company maintains the majority of its cash balances with one financial institution, in the form of demand deposits.

Reclassifications

Certain reclassifications have been made in the 2010 financial statements to conform with the 2011 presentation.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including receivables and accounts payable and accrued liabilities at June 30, 2011 and December 31, 2010 approximates their fair values due to the short-term nature of these financial instruments. The carrying values of trading securities and available for sale securities are based on quoted market prices.

EAT AT JOE'S LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
 (Continued)

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

Investment in Marketable Securities

The Company's securities investments that are bought and held for an indefinite period of time are classified as available-for-sale securities. Available-for-sale securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period excluded from earnings and recorded net of tax as a component of other comprehensive income. All of the Company's available-for-sale are marketable securities and have no maturity date.

The Company's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings.

Investments in securities are summarized as follows:

| | December 31, 2010 | | |
|-------------------------------|-----------------------------|-----------------------------|---------------|
| | Gross Unrealized Gain | Gross Unrealized Loss | Fair Value |
| Trading securities | \$ - | \$ 187,662 | \$ 173,266 |
| Available-for-sale securities | \$ - | \$ 20,950 | \$ 55,050 |
| | June 30, 2011 | | |
| | Gross Unrealized Gain | Gross Unrealized Loss | Fair Value |
| Trading securities | \$ - | \$ 75,653 | \$ 464,383 |
| Available-for-sale securities | \$ 133,570 | \$ - | \$ 209,570 |

Results of operations for the six months ended June 30, 2011 include a charge of \$75,653 for unrealized holding losses on trading securities. Results of operations for the year ended December 31, 2010, include a charge of \$187,662 for unrealized holding losses on trading securities. For the six months ended June 30, 2011, other comprehensive income includes a gain of \$133,570 for unrealized holding gains on available-for-sale securities. For the year ended December 31, 2010, other comprehensive income includes an unrealized holding loss on available-for-sale securities of \$20,950.

EAT AT JOE'S LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
 (Continued)

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

Realized Gains and losses are determined on the basis of specific identification. During the six months ended June 30, 2011 and 2010, sales proceeds and gross realized gains and losses on securities classified as available-for-sale securities and trading securities were:

| | For the six months ended June 30, | |
|---------------------|--------------------------------------|------|
| | 2011 | 2010 |
| Trading securities: | | |

| | | |
|--------------------------------|------------|------------|
| Sales Proceeds | \$ 480,487 | \$ 193,016 |
| Gross Realized Losses | \$ - | \$ 43,884 |
| Gross Realized Gains | \$ 162,077 | \$ - |
| Available-for-sale securities: | | |
| Sale Proceeds | \$ - | \$ - |
| Gross Realized Losses | \$ - | \$ - |
| Gross Realized Gains | \$ - | \$ - |

The following table discloses the assets measured at fair value on a recurring basis and the methods used to determine fair value:

| | Fair Value at June 30, 2011 | Fair Value Measurements at Reporting Date Using | | |
|-------------------------------|--------------------------------|--|--|--|
| | | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Trading securities | \$ 464,383 | \$ 464,383 | \$ - | \$ - |
| Available-for-sale securities | \$ 209,570 | \$ 209,570 | \$ - | \$ - |
| Total | \$ 673,953 | \$ 673,953 | \$ - | \$ - |

Generally, for all trading securities and available-for-sale securities, fair value is determined by reference to quoted market prices.

NOTE 2 - SHORT-TERM NOTES PAYABLE

Short-Term Notes Payable consist of loans from unrelated entities as of June 30, 2011 and December 31, 2010. The notes are payable one year from the date of issuance together with interest at 6.50% A.P.R.

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

NOTE 3 - INCOME TAXES

As of December 31, 2010, the Company had a net operating loss carryforward for income tax reporting purposes of approximately \$5,400,000 that may be offset against future taxable income through 2030.

Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carry forwards will expire unused. Accordingly, the potential tax benefits of the loss carry forwards are offset by a valuation allowance of the same amount.

The Company has the following tax assets:

| | December 31, 2010 | December 31, 2009 |
|------------------------|----------------------|----------------------|
| Net Operating Losses | \$ 1,836,000 | \$ 1,836,000 |
| Depreciation and Other | 93,840 | 102,340 |
| Valuation Allowance | (1,929,840) | (1,938,340) |
| | \$ - | \$ - |

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

| | December 31, 2010 | December 31, 2009 |
|--|----------------------|----------------------|
| Provision (Benefit) at US Statutory Rate | \$ 213,000 | \$ 99,900 |
| Net Operating Losses | 12,600 | 251,000 |

| | | |
|--|-------------|-------------|
| Depreciation and Other | (217,100) | (106,440) |
| Increase (Decrease) in Valuation Allowance | (8,500) | (244,460) |
| | <u>\$ -</u> | <u>\$ -</u> |

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

NOTE 4 - UNCERTAIN TAX POSITIONS

Effective January 1, 2007, the company adopted the provisions of ASC 740 (formerly FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48")). ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The adoption of the provisions of ASC 740 did not have a material impact on the company's condensed consolidated financial position and results of operations. At December 31, 2010, the company had no liability for unrecognized tax benefits and no accrual for the payment of related interest and penalties. The Company did not record a cumulative effect adjustment relating to the adoption of ASC 740.

15

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

NOTE 4 - UNCERTAIN TAX POSITIONS (continued)

Interest costs related to unrecognized tax benefits are classified as "Interest expense, net" in the accompanying condensed consolidated statements of operations. Penalties, if any, would be recognized as a component of "Selling, general and administrative expenses". The Company recognized \$0 of interest and penalties expense related to unrecognized tax benefits during 2010. In many cases the company's uncertain tax positions are related to tax years that remain subject to examination by relevant tax authorities. With few exceptions, the company is generally no longer subject to U.S. federal, state, local or non-U.S. income tax examinations by tax authorities for years before 2007. The following describes the open tax years, by major tax jurisdiction, as of December 31, 2010:

United States (a) 2007 - Present

(a) Includes federal as well as state or similar local jurisdictions, as applicable.

NOTE 5 - RELATED PARTY TRANSACTIONS

During 2010 and 2009, Joseph Fiore, C.E.O. of the Company, and Berkshire Capital, which is controlled by Mr. Fiore, paid expenses and made advances to the Company. All expenses paid on behalf of the company have been recorded in the consolidated statements of operations for the period incurred. As of June 30, 2011 and December 31, 2010, \$1,107,315 and \$1,074,669 (including accrued interest at 6%) in advances was due to these related parties.

On August 8, 2003, the Board resolved to enter into an agreement with Berkshire Capital Management Co., Inc., a related party, for the purpose of utilizing the Company's tax loss carry forward to sell Berkshire's acquired free trading stock in other public companies. As of June 30, 2011 and December 31, 2010, related party accounts payable include \$8,784 and \$8,784, respectively, due to Berkshire Capital.

On May 16, 2007, the Company acquired 3,000,000 shares of Sustainable Power Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$210,000, carrying an interest rate of 6% A.P.R. During the year ended December 31, 2010, the Company paid \$210,000 towards this loan. At June 30, 2011 and December 31, 2010, \$45,173 and \$43,841, respectively was due on this loan.

On May 16, 2007, 45,529,411 restricted shares of Eat at Joe's, LTD were issued by the Board of Directors to Berkshire Capital Management Co, Inc at \$0.015 per share in satisfaction of \$682,941 in related party accounts payable due to Berkshire Capital Management. The shares were valued using the fair market value of the stock on the date of issuance. The fair market value of the stock was determined by the quoted

market price of the stock on the date of issuance.

On June 14, 2007, the Company acquired 1,000,000 shares of International Oil & Gas Holdings Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$125,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$159,229 and \$154,534 was due on this loan, respectively.

On July 17, 2007, the Company acquired 3,000,000 shares of International Oil & Gas Holdings Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$465,000, carrying an interest rate of 6% A.P.R. On January 8, 2008, \$375,156 was paid on this note. At June 30, 2011 and December 31, 2010, \$127,231 and \$123,480 was due on this loan, respectively.

16

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

NOTE 5 - RELATED PARTY TRANSACTIONS (continued)

On August 22, 2007, the Company acquired 2,000,000 shares of International Oil & Gas Holdings Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$160,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$201,558 and \$195,616 was due on this loan, respectively.

On September 20, 2007, the Company acquired 1,000,000 shares of International Oil & Gas Holdings Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$55,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$68,952 and \$66,919, respectively, was due on this loan.

On January 11, 2008, the Company acquired 1,000,000 shares of Sustainable Power Corp from Berkshire Capital Management in exchange for a demand note in the amount of \$47,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$57,854 and \$56,148, respectively, was due on this loan.

On February 29, 2008, the Company acquired 2,000,000 shares of Sustainable Power Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$126,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$153,820 and \$149,285, respectively, was due on this loan.

On February 28, 2008, 16,000,000 shares at \$.013 of common stock were issued to the company's current officers, directors and support staff. The shares were valued using the fair market value of the stock on the date of issuance. The fair market value of the stock was determined by the quoted market price of the stock on the date of issuance. Compensation expense of \$208,000 resulting from this issuance has been recorded in the accompanying financial statements.

On April 24, 2008, the Company acquired 2,000,000 shares of Sustainable Power Corp. From Berkshire Capital Management in exchange for a demand note in the amount of \$71,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$85,901 and \$83,368, respectively, was due on this loan.

On April 24, 2008, the Company acquired 862,500 shares of EFoodSafety.Com from Berkshire Capital Management in exchange for a demand note in the amount of \$163,875, carrying an interest rate of 6% A.P.R. On March 26, 2010, \$30,000 was paid on this note. At June 30, 2011 and December 31, 2010, \$165,930 and \$161,038, respectively, was due on this loan.

On July 1, 2008, the Company acquired 2,000,000 shares of Sustainable Power Corp. from Berkshire Capital Management in exchange for a demand note in the amount of \$63,000, carrying an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$75,386 and \$73,163, respectively, was due on this loan.

On November 18, 2009, the Company acquired 5,000,000 share of Nuvilex, Inc. from Berkshire Capital Management in exchange for a note payable in the amount of \$150,000. The note is due in three years and carries an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$165,235 and \$160,364,

respectively, was due on this loan.

EAT AT JOE'S LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
 (Continued)

NOTE 5 - RELATED PARTY TRANSACTIONS (continued)

On October 19, 2010, the Company acquired 171,400 shares of Diamond Ranch Foods from Berkshire Capital Management in exchange for a note payable in the amount of \$50,000. The market value of the shares on October 19, 2010 was \$1.05 per share, for a total value of \$179,970. As part of this transaction, the Company recorded contributed capital of \$129,970, which was the difference in the value of the shares and note payable. The note is due in three years and carries an interest rate of 6% A.P.R. At June 30, 2011 and December 31, 2010, \$52,138 and \$50,601, respectively was due on this loan.

On May 31, 2011, the Company acquired 500,000 shares of Nuvilex, Inc. from a third party in exchange for a note payable in the amount of \$15,000. On June 6, 2011, additional 3,500,000 shares were acquired for \$175,000. On June 17, 2011, additional 5,000,000 shares were acquired for \$285,000. The note is due in the third quarter 2011 and carries an interest rate of 6% A.P.R. On June 24, 2011, \$7,500 was paid on this note. At June 30, 2011, \$468,867 was due on this loan.

On May 17, 2011, the Company acquired 3,000,000 shares of Nuvilex, Inc. from Berkshire Capital Management in exchange for a note payable in the amount of \$10,000. The market value of the shares on May 17, 2011 was \$0.07 per share, for a total value of \$210,000. As part of this transaction, the Company recorded contributed capital of \$200,000, which was the difference in the value of the shares and the note payable. The note is due in the third quarter 2011 and carries an interest rate of 6% A.P.R. At June 30, 2011, \$10,073 was due on this loan.

NOTE 6 - RENT AND LEASE EXPENSE

The Company's wholly-owned subsidiary E.A.J. PHL Airport, Inc. leases approximately 845 square feet in the Philadelphia Airport, Philadelphia, Pennsylvania pursuant to a lease dated April 30, 1997. E.A.J. PHL Airport pays \$14,000 per month basic rent under the lease which expires April 2017. A construction security deposit of \$15,000 was paid prior to construction. Amount will be refunded upon completion of renovation.

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

| Year Ended December 31, | Real Property |
|--|-------------------|
| 2011 | \$ 168,000 |
| 2012 | 168,000 |
| 2013 | 168,000 |
| 2014 | 168,000 |
| 2015 | <u>168,000</u> |
| Total five year minimum lease payments | <u>\$ 840,000</u> |

The lease generally provides that insurance, maintenance and tax expenses are obligations of the Company. It is expected that in the normal course of business, leases that expire will be renewed or replaced by leases on other properties.

EAT AT JOE'S LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2011 AND 2010
(Continued)

NOTE 7 - CONVERTIBLE DEBENTURES

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

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

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

NOTE 8 - CONVERTIBLE PREFERRED STOCK

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

- * No dividends.
- * Convertible to common stock at the average closing bid price for the Company's common stock for the 5 trading days prior to the conversion date, and is adjustable to prevent dilution. (Convertible to 9,174,312 common shares at June 30, 2011).
- * Convertible at the Option of the Company at par value only after repayment of the shareholder loans from Joseph Fiore and subject to the holders option to convert.
- * Entitled to vote 1,000 votes per share of Series E Convertible Preferred Shares.
- * Entitled to liquidation preference at par value.
- * Is senior to all other share of preferred or common shares issued past, present and future.

NOTE 9 - NOTE RECEIVABLE

On September 8, 2009, the company loaned to an unrelated entity an amount of \$50,000. The note is payable within one year from the date of issuance together with interest of 6.0% A.P.R.

On November 24, 2009, the company loaned to an unrelated entity an amount of \$1,000. The note is payable within one year from the date of issuance together with interest of 4.0% A.P.R.

On December 1, 2009, the company loaned to an unrelated entity an amount of \$60,000. The note is payable within one year from the date of issuance together with interest of 6.0% A.P.R.

As of December 31, 2009, note receivable outstanding was \$112,139 (including accrued interest at 6.0% and 4.0%). As of December 31, 2010, the Company determined that these notes were uncollectible. The notes were written-off and bad debt expense of \$112,139 was recorded in the statement of operations.

During May and June 2011, the Company advanced \$320,000 to Nuvilex, Inc. in anticipation of acquiring shares of stock. The stock is to be acquired during third quarter 2011.

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

General - This discussion should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's annual report on Form 10-K for the year ended December 31, 2010.

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

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

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

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

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

Over the next twelve months, the company will maintain operations as they currently exist. We do not anticipate the hiring of new full-time employees or the need for additional funds to satisfy cash requirements. Expansion within the current location is not viable, however management may seek to make acquisitions of established businesses, or, if a desirable location becomes available, we may elect to expand the concept. Locations would be sought in heavily trafficked areas, such as within an airport, train station, etc. We have not found any such location as of the date of this filing and no agreements are in place.

Results of Operations - For the six months ended June 30, 2011, the Company had a net income of \$11,929, composed of a loss from operations of \$2,288 and net other gain of \$14,217. For the six months ended June 30, 2010, the Company had a net loss of \$364,479 composed of a loss from operations of \$16,805 and net other loss of \$347,674. Net other income/loss is primarily due to gains and losses from the sale of trading and available for sale securities.

Total Revenues - For the six months ended June 30, 2011 and 2010, the Company had total sales of approximately \$335,000 and \$573,000 respectively, for a decrease of approximately \$238,000. The decrease is mainly due to the restaurant being closed effective February 21, 2011 for remodeling. The restaurant reopened on May 27, 2011. Also, the overall economic condition of the country has caused airport traffic to decline. Consumers are spending and traveling less and airlines are eliminating or combining flights. There is a direct correlation between airport traffic and the Company's sales. As the economy stabilizes and moves toward a recovery, airport traffic is expected to increase and will be reflected in increased sales for the Company.

Costs and Expenses - Costs of revenues, which include the costs of food, beverage, and kitchen supplies slightly decreased as a percentage of sales from 2011 to 2010. This was mainly due to the restaurant being

closed for remodeling. The cost of labor, rent and other general and administrative costs, were slightly higher as a percentage of sales for the six months ended June 30, 2011 compared to the six months ended June 30, 2010. This was mainly due to the restaurant being closed for remodeling.

Depreciation and amortization expense increased by approximately \$1,145 from 2011 to 2010, respectively, due to new fixed assets being placed in service during the renovation. Depreciation expense will increase now that these plans are completed and as new assets are acquired.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2011, the Company has a working capital deficit of approximately \$3,382,491. The Company's continued existence is dependent upon its ability to execute its operating plan and to obtain additional debt or equity financing. There can be no assurance the necessary debt or equity financing will be available, or will be available on terms acceptable to the Company.

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

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

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

During the six months ended June 30, 2011, the Company used approximately \$191,000 in cash from investing activities. Cash of approximately 671,000 was used for purchase of equipment and improvements due to the restaurant remodeling and for advances paid for stock purchases. Net cash of approximately \$480,000 was provided from the purchase and sale of marketable equity securities. For the six months ended June 30, 2010, the Company generated approximately \$161,000 in cash from investing activities from the purchase and sale of marketable equity securities. As of June 30, 2011, the company owns marketable securities valued at \$464,383 with corresponding liabilities of \$1,846,131 in the form of related party payables of \$8,784 and related party notes payable of \$1,837,347 (including interest accruing at 6%).

During the six months ended June 30, 2011, the Company repaid approximately \$7,500 in short-term notes payable. During the six months ended June 30, 2010, the Company repaid \$220,000 in shareholder advances from past years. As of June 30, 2011, approximately \$1,107,315 (including interest accruing at 6%) in advances was due to Joseph Fiore, C.E.O. of the Company.

On May 16, 2007, 45,529,411 restricted shares of Eat at Joe's, LTD were issued by the Board of Directors to Berkshire Capital Management Co, Inc at \$0.015 per share in satisfaction of \$682,941.00 in related party accounts payable due to Berkshire Capital Management. The shares were valued using the fair market value of the stock on the date of issuance. The fair market value of the stock was determined by the quoted market price of the stock on the date of issuance.

On February 28, 2008, 16,000,000 shares at \$.013 of common stock were issued to the company's current officers, directors and support staff. The shares were valued using the fair market value of the stock on the date of issuance. The fair market value of the stock was determined by the quoted market price of the stock on the date of issuance. Compensation expense of \$208,000 resulting from this issuance has been recorded in the accompanying financial statements.

For the six months ended June 30, 2011 and 2010, operating activities provided (used) approximately \$14,890 and (\$17,487) in cash.

After the completion of its expansion plans, the Company expects future development and expansion will be financed through cash flow from operations and other forms of financing such as the sale of additional equity and debt securities, capital leases and other credit facilities. There are no assurances that such financing will be available on terms acceptable or favorable to the Company.

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

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

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

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

Investment in Marketable Securities

The Company's securities investments that are bought and held for an indefinite period of time are classified as available-for-sale securities. Available-for-sale securities are recorded at fair value on the balance sheet in

current assets, with the change in fair value during the period excluded from earnings and recorded net of tax as a component of other comprehensive income.

The Company's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings.

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

In December 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-29 (ASU 2010-29), *Business Combinations (Topic 805) – Disclosure of Supplementary Pro Forma Information for Business Combinations*. This Accounting Standards Update requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The amendments in this Update affect any public entity as defined by Topic 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in this Update are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-29 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued Accounting Standards Update 2010-22 (ASU 2010-22), *Accounting for Various Topics -- Technical Corrections to SEC Paragraphs - An announcement made by the staff of the U.S. Securities and Exchange Commission*. This Accounting Standards Update amends various SEC paragraphs based on external comments received and the issuance of SAB 112, which amends or rescinds portions of certain SAB topics. The Company does not expect the provisions of ASU 2010-22 to have a material effect on its financial position, results of operations or cash flows.

In August 2010, the FASB issued Accounting Standards Update 2010-21 (ASU 2010-21), *Accounting for Technical Amendments to Various SEC Rules and Schedules: Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies*. The Company does not expect the provisions of ASU 2010-21 to have a material effect on its financial position, results of operations or cash flows.

In July 2010, the FASB issued Accounting Standards Update 2010-20 (ASU 2010-20), *Receivables (Topic 310): Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*. The amendments in this Update are to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. The disclosures about activity that occurs during the reporting period are effective for interim and annual reporting periods beginning on or after December 15, 2010. The Company does not expect the provisions of ASU 2010-20 to have a material effect on its financial position, results of operations or cash flows.

In April 2010, the FASB issued Accounting Standards Update 2010-17 (ASU 2010-17), *Revenue Recognition – Milestone Method (Topic 605)*. ASU 2010-17 provides guidance on applying the milestone method of revenue recognition in arrangements with research and development activities. The amendments in this Update are effective on a prospective basis for milestones achieved in fiscal years, and interim periods

within those years, beginning on or after June 15, 2010. The Company's adoption of the provisions of ASU 2010-17 did not have a material impact on its revenue recognition.

In March 2010, the FASB issued Accounting Standards Update 2010-11 (ASU 2010-11), *Derivatives and Hedging (Topic 815): Scope Exception Related to Embedded Credit Derivatives*. The amendments in this Update are effective for each reporting entity at the beginning of its first fiscal quarter beginning after June 15, 2010. Early adoption is permitted at the beginning of each entity's first fiscal quarter beginning after issuance of this Update. The Company's adoption of the provisions of ASU 2010-11 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB Accounting Standards Update 2010-10 (ASU 2010-10), *Consolidation (Topic 810): Amendments for Certain Investment Funds*. The amendments in this Update are effective as of the beginning of a reporting entity's first annual period that begins after November 15, 2009 and for interim periods within that first reporting period. Early application is not permitted. The Company's adoption of provisions of ASU 2010-10 did not have a material effect on its financial position, results of operations or cash flows.

In February 2010, the FASB issued ASU No. 2010-09 *Subsequent Events (ASC Topic 855) - Amendments to Certain Recognition and Disclosure Requirements* (ASU 2010-09). ASU No. 2010-09 requires an entity that is an SEC filer to evaluate subsequent events through the date that the financial statements are issued and removes the requirement for an SEC filer to disclose a date, in both issued and revised financial statements, through which the filer had evaluated subsequent events. The adoption did not have an impact on the Company's financial position, results of operations or cash flows.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amends FASB Accounting Standards Codification ("ASC") 820 and clarifies and provides additional disclosure requirements related to recurring and non-recurring fair value measurements and employers' disclosures about postretirement benefit plan assets. This ASU is effective for interim and annual reporting periods beginning after December 15, 2009. The adoption of ASU 2010-06 did not have a material impact on the Company's financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

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

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

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

(b) **Changes in Internal Controls**

Based on this evaluation as of June 30, 2011, there were no changes in the Company's internal controls over financial reporting or in any other areas that could significantly affect the Company's internal controls subsequent to the date of his most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

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

None

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are included as part of this report:

| Exhibit No. | Description |
|--------------------|--|
| 31 | Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32 | Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Interactive Data Files for the Eat at Joe's Ltd. Form 10Q for the period ended June 30, 2011 |

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 15, 2011

By: /s/ Joseph Fiore

Joseph Fiore
C.E.O., C.F.O., Chairman, Secretary, Director
(Principal Executive & Accounting Officer)

Exhibit 31

Section 302 Certifications

I, Joseph Fiore, certify that:

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

Date: August 15, 2011

/s/ Joseph Fiore

Joseph Fiore

CEO, CFO, Chairman, Secretary, Director

(Principal Executive & Accounting Officer)

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

In connection with the Quarterly Report of Eat at Joe's, Ltd., on Form 10-Q for the quarter ending June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Joseph Fiore, Chief Executive Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

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

Date: August 15, 2011

/s/ Joseph Fiore

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

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