

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 12-81123-CIV-COHN/SELTZER

FRANCIS HOWARD, Individually and on Behalf
of All Others Similarly Situated,
Plaintiff,

vs.

CHANTICLEER HOLDINGS, INC., MICHAEL D. PRUITT,
ERIC S. LEDERER, MICHAEL CARROLL, PAUL I. MOSKOWITZ, KEITH
JOHNSON, MARK HEZLETT, MERRIMAN CAPITAL, INC., DAWSON
JAMES SECURITIES, INC., CREASON & ASSOCIATES P.L.L.C.
Defendants

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

If you purchased or otherwise acquired Chanticleer Holdings, Inc. (“Chanticleer” or the “Company”) securities either (i) pursuant and/or traceable to the Company’s June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, you could receive a payment from a class action settlement (the “Settlement”).

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide eight hundred fifty thousand dollars (\$850,000) (the “Settlement Amount”), plus interest as it accrues, to pay claims of investors who purchased Chanticleer securities either (i) pursuant and/or traceable to the Company’s June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.
- The Settlement represents an average recovery of \$0.23 per share of Chanticleer common stock for the 3,698,896 common shares outstanding as of December 18, 2012. A share may have been traded more than once during the Class Period. This number solely reflects the estimated average recovery per share of Chanticleer common stock. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Chanticleer securities and the total number of claims filed.
- Attorneys for Lead Plaintiff (“Class Counsel”) intend to ask the Court to award them fees of up to one-third of the Settlement Amount and reimbursement of litigation expenses not to exceed twenty seven thousand five hundred (\$27,500). Collectively, the attorneys’ fees and litigation expenses are estimated to average \$0.08 per share of Chanticleer common stock. If approved by the Court, these amounts will be paid from the Qualified Settlement Fund.
- The approximate recovery, after deduction of attorneys’ fees and expenses approved by the Court, is an average of \$0.14 per damaged share of Chanticleer common stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price and the number of Claim Forms filed.
- The Settlement resolves the lawsuit concerning whether Chanticleer, certain of its officers and directors, and Creason & Associates, P.L.L.C (“Creason”), violated the federal securities laws by making misrepresentations or omissions of material fact in the Registration Statement and Prospectus filed in connection with Chanticleer’s June 21, 2012 public offering and whether certain of Chanticleer’s officers and directors were individually liable for the alleged violations as control persons. Defendants Chanticleer, Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, and Keith Johnson (collectively, the “Chanticleer Defendants”), and Creason deny and continue to deny that they have committed any act or omission giving rise to any liability or violation of law, including the United States securities laws, as alleged in the Complaint. Chanticleer Defendants, Creason, and Lead Plaintiffs disagree on liability and damages. Plaintiffs believe that, if they prevailed on all their claims and the Court accepted their theory of damages that they would recover approximately \$0.64 per damaged share of Chanticleer common stock, before deductions for fees and expenses and assuming that the full amount of the judgment was collectable. Chanticleer Defendants and Creason believe that, if this matter is litigated, Plaintiffs are likely to recover nothing.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM NO LATER THAN JULY 24, 2014	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN JULY 24, 2014	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN JULY 24, 2014	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON AUGUST 14, 2014	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063
Tel: (866) 274-4004
www.strategicclaims.net

DEFINITIONS

All capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement, dated March 17, 2014.

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have acquired Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.

2. What is this lawsuit about?

The case is known as Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER, and the Court in charge of the case is the United States District Court for the Southern District of Florida.

Defendants in this case are Chanticleer Defendants, and Creason (collectively, the "Defendants"). Plaintiffs allege that the Defendants violated the federal securities laws by making misrepresentations or omissions of material fact in the Registration Statement and Prospectus filed in connection with Chanticleer's June 21, 2012 public offering. Chanticleer Defendants, Creason and Lead Plaintiffs disagree on liability and damages. Chanticleer Defendants and Creason deny they can be held liable under the federal securities laws. The Settlement resolves all of Plaintiffs' claims in the Litigation.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities that have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiffs and Chanticleer Defendants do not agree regarding the merits of Lead Plaintiffs' allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. The issues on which Lead Plaintiffs, Chanticleer Defendants, and Creason disagree

include: (1) whether Chanticleer Defendants and Creason made materially false and misleading statements or omitted any material facts in the Registration Statement and Prospectus filed in connection with Chanticleer's June 21, 2012 public offering; (2) whether the misstatements and omissions were the cause of the Class Members' alleged damages; and (3) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Lead Plaintiffs or the any of the Defendants. Instead, Lead Plaintiffs, Chanticleer Defendants, and Creason have agreed to settle the Class Action. Lead Plaintiffs and Class Counsel believe the Settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Defendants. Among the reasons that Lead Plaintiffs and Class Counsel believe the Settlement is fair is the fact that there is uncertainty about whether the Chanticleer Defendants may ultimately prove their affirmative defense that the alleged misstatements and omissions did not cause the Class any damages and whether some or all of the Chanticleer Defendants or Creason could prove their due diligence defenses. Additionally, Chanticleer's financial resources are limited.

Because of these reasons, even if Plaintiffs win at trial, and also prevail on any appeal, Plaintiffs might not be able to collect some, or all, of any judgment they are awarded. Moreover, while litigation of this type is usually expensive, it appears that, even if Plaintiffs' allegations are eventually found to be true, the total amount of damages to which Class Members would be entitled could be substantially reduced as Plaintiffs, Chanticleer Defendants and Creason vastly differed on their view of damages.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Class Settlement?

To be a Class Member, you must have purchased Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, and suffered losses in your investment as a result of the decline in the value of Chanticleer securities.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a named defendant, an officer or director of Chanticleer or Creason on or prior to February 19, 2013, members of the immediate families of each, legal representatives, heirs, successors or assigns of each, and any entity in which any named defendant has or had a controlling interest. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Settlement Administrator, Strategic Claims Services, by phone at (866) 274-4004, facsimile at (610) 565-7985, visiting the website www.strategicclaims.net, or filling out and returning the claim form described in Question 9, to see if you qualify.

8. What does the Settlement provide?

a. What is the Net Cash Settlement Amount?

The proposed Settlement calls for Chanticleer Defendants' insurer, on behalf of the Chanticleer Defendants, to make a payment in the amount of eight hundred thirty-seven thousand five hundred dollars (\$837,500) and Creason to make a payment in the amount of twelve thousand five hundred dollars (\$12,500) for a total of eight hundred fifty thousand dollars (\$850,000) (the "Settlement Amount" or "Qualified Settlement Fund"). The Settlement will not become effective unless it is approved by the Court. Subject to the Court's approval, a portion of the Qualified Settlement Fund will be used to pay Lead Counsel's attorneys' fees and reasonable litigation expenses. A portion of the Qualified Settlement Fund will also be used to pay taxes due, if necessary, and any notice and claims administration expenses permitted by the Court. After these deductions from the Qualified Settlement Fund have been made, the amount remaining (the "Net Cash Settlement Amount") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

If you are entitled to a payment, your share of the Net Cash Settlement Amount will depend on (i) the number of valid claim forms that Class Members submit; (ii) the dates you purchased and sold Chanticleer securities; and (iii) the prices of your purchases and sales. By following the Plan of Allocation described below, you can calculate your "Recognized Claim." The Settlement Administrator will distribute the Net Cash Settlement Amount according to the Plan of Allocation after the deadline for submission of the Claim Forms has passed.

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the parties, or another plan of allocation, without further notice to Settlement Class Members. Any orders regarding a modification of the Plan of Allocation will be posted to the Settlement Administrator's website, www.strategicclaims.net.

The Net Cash Settlement Amount is based upon each Authorized Claimant's Recognized Claim. **Please Note:** The Recognized Claim formula, set forth below, is not intended to be an estimate of the amount of what a Settlement Class Member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Cash Settlement Amount will be proportionately allocated to the Authorized Claimants. To the extent there are sufficient funds remaining in the Net Cash Settlement Amount, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Claim. If, however, Net Cash Settlement Amount is not sufficient to permit payment of the total Recognized Claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Cash Settlement Amount that each Authorized Claimant's Recognized Claim bears to the total Recognized Claims of all Authorized Claimants (*i.e.*, "*pro rata* share"). Payment in this manner shall be deemed conclusive against all Authorized Claimants. No distribution will be made on a claim where the potential distribution amount is less than ten dollars (\$10.00) in cash.

If any of the Net Cash Settlement Amount remains by reason of uncashed checks, or otherwise, after the Settlement Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Cash Settlement Amount cash their distribution checks, then any balance remaining in the Net Cash Settlement Amount six (6) months after the initial distribution of such funds shall be used: (i) first, to pay any amounts mistakenly omitted from the initial distribution to Authorized Claimants or to pay any late, but otherwise valid and fully documented claims received after the cut-off date used to make the initial distribution, provided that such distributions to any late post-distribution claimants meet all of the other criteria for inclusion in the initial distribution, including the \$10.00 minimum check amount set forth in the Notice; (ii) second, to pay any additional Notice and Administrative Expenses incurred in administering the Settlement; and (iii) finally, to make a second distribution to Authorized Claimants who cashed their checks from the initial distribution and who would receive at least \$10.00 from such second distribution, after payment of the estimated costs or fees to be incurred in administering the Net Cash Settlement Amount and in making this second distribution, if such second distribution is economically feasible. If six (6) months after such second distribution, if undertaken, or if such second distribution is not undertaken, any funds shall remain in the Net Cash Settlement Amount after the Settlement Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in this Settlement cash their checks, any funds remaining in the Net Cash Settlement Amount shall be donated to a non-profit charitable organization(s) selected by Lead Counsel.

THE BASIS FOR CALCULATING YOUR RECOGNIZED CLAIM:

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Cash Settlement Amount based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

- D) Chanticleer common stock purchased between June 21, 2012 and January 16, 2013, inclusive:
 - A. For shares retained at the end of trading on February 19, 2013 the Recognized Claim shall be the lesser of \$1.17 per share; or the difference between the purchase price per share and \$2.16 per share.¹
 - B. If sold on January 17, 2013, the Recognized Claim is the lesser of \$.43 per share; or the difference between the purchase price and sale price per share.
 - C. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$1.04 per share; or the difference between the purchase price and sale price per share.
 - D. If sold on or before January 16, 2013, the Recognized Claim will be zero.

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." \$2.16 per share is the mean (average) daily closing trading price of Chanticleer's common stock during the 90-day period beginning on February 20, 2013 and ending on May 20, 2013.

- II) Chanticleer common stock purchased on January 17, 2013:
 - A. For shares retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.74 per share; or the difference between the purchase price per share and \$2.16 per share.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.61 per share; or the difference between the purchase price and sale price per share.
 - C. If sold on January 17, 2013, the Recognized Claim will be zero.
- III) Chanticleer common stock purchased between January 18, 2013 and February 19, 2013, inclusive:
 - A. For shares retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.13 per share; or the difference between the purchase price per share and \$2.16 per share.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim will be zero.
- IV) Chanticleer warrants acquired or purchased between June 21, 2012 and January 16, 2013, inclusive:
 - A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.46 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.²
 - B. If sold on January 17, 2013, the Recognized Claim is the lesser of \$.25 per warrant; or the difference between the purchase price and sale price per warrant.
 - C. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.31 per warrant; or the difference between the purchase price and sale price per warrant.
 - D. If sold on or before January 16, 2013, the Recognized Claim will be zero.
- V) Chanticleer warrants purchased on January 17, 2013,
 - A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.21 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim is the lesser of \$.06 per warrant; or the difference between the purchase price and sale price per warrant.
 - C. If sold on January 17, 2013, the Recognized Claim will be zero.
- VI) Chanticleer warrants purchased between January 18, 2013 and February 19, 2013, inclusive:
 - A. For warrants retained at the end of trading on February 19, 2013, the Recognized Claim shall be the lesser of \$.15 per warrant; or the difference between the purchase price per warrant and \$.28 per warrant.
 - B. If sold between January 18, 2013 and February 19, 2013, inclusive, the Recognized Claim will be zero.
- VII) Chanticleer's Units purchased and traceable to the Offering:
 - A. For each Unit sold on or before August 2, 2012³, the Recognized Claim shall be the difference between the purchase price (not to exceed the \$4.50 Offering price per Unit) and sale price per Unit.

For purposes of calculating your Recognized Claim, the date of purchase, acquisition or sale is the "contract" or "trade" date and not the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Chanticleer units, common shares and warrants shall not be deemed a purchase, acquisition or sale of Chanticleer units, common shares and warrants for the calculation of an Authorized Claimant's Recognized Claim.

For purposes of calculating your Recognized Claim, all purchases, acquisitions and sales shall be matched on a First In First Out ("FIFO") basis in chronological order. Therefore, on the Proof of Claim enclosed with this Notice, you must provide all of your purchases and acquisitions of Chanticleer units, common shares and warrants during the time period from June 21, 2012 through and including February 19, 2013.

Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Defendants, Defendants' Counsel, Creason, Creason's Counsel, Lead Plaintiffs, Lead Counsel or the Settlement Administrator or other agent designated by Lead Counsel based

² Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, \$.28 per share is the mean (average) daily closing trading price of Chanticleer's warrants during the 90-day period beginning February 20, 2013 and ending May 20, 2013.

³ The Units ceased trading on August 2, 2012 and each Unit was separated into one share of common stock and one warrant commencing on August 3, 2012.

on the distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's Claim Form. All persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted in connection with the Settlement, or otherwise involved in the administration or taxation of the Qualified Settlement Fund or the Net Cash Settlement Amount shall be released and discharged from any and all claims arising out of such involvement, and all Settlement Class Members, whether or not they are to receive payment from the Net Cash Settlement Amount, will be barred from making any further claim on the Net Cash Settlement Amount beyond the amount allocated to them as provided in any distribution orders entered by the Court.

HOW YOU RECEIVE A PAYMENT—SUBMITTING A CLAIM

9. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release" form (the "Claim Form"). This Claim Form accompanies this Notice. You may also obtain a Claim Form on the internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the Claim Form together with all documentation requested in the form, postmarked no later than July 24, 2014, to:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

The Settlement Administrator will process your claim and determine whether you are an "Authorized Claimant."

10. What am I giving up to get a payment or stay in the Class?

If you are a member of the Class, and do not exclude yourself, you will give up and release any claims you might have against the Defendants relating to the "Released Plaintiffs' Claims," as described more fully below. All of the Court's orders will apply to you and legally bind you. ***If you are a Class Member, this will be true even if you do not submit or sign a Claim Form, unless you exclude yourself from the Class (in which case you will not receive any payment).***

If the proposed Settlement is approved, the Court will enter an Order and Final Judgment (the "Judgment"). The Judgment shall release and forever discharge the "Released Plaintiffs' Claims" with prejudice as to all "Releasees." Each of the "Releasees" shall release and forever discharge any and all "Released Defendants' Claims" against Class Members.

"Judgment" means the judgment to be entered by the Court pursuant to the Order Approving Settlement, which shall be substantially in the form set out in Exhibit B to the Securities Class Action Settlement Agreement.

"Released Defendants' Claims" means each and every Claim that has been, could have been, or could be asserted in the Securities Class Action or in any other proceeding by any Releasee, including any Defendant, or the successors and assigns of any Releasee, against any Lead Plaintiff, any other Class Member, any other Releasee, or their attorneys (including Lead Counsel), including any consultants, experts or other professionals retained by Lead Counsel during the course of this litigation, that arises out of or relates in any way to the institution, prosecution, investigation, defense or settlement of the Securities Class Action, including any or all of the acts, failures to act, omissions, misrepresentations, facts, events, matters, transactions, occurrences, or oral or written statements or representations of Releasees; provided, however, the foregoing shall not include any Claims to enforce this Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement; provided further that released defendants claims shall not include any release or bar order by or from any of the Chanticleer Defendants of any claims against Mark Hezlett, all of which claims are expressly preserved and not released or barred notwithstanding any other provisions of this Securities Class Action Settlement Agreement.

"Released Plaintiffs' Claims" means any and all claims, debts, demands, actions, causes of action, specialties, covenants, contracts, variances, damages, executions, rights, suits, sums, accounts, reckonings, presentments, extents and any other liabilities, fixed or contingent, matured or not matured, of or by the Class, or any member or representative of the Class, as against the Releasees, including both known claims and Unknown Claims, whether class, representative, derivative, direct or individual in nature, that were asserted, could have been asserted, could in the future be asserted, or are related to the claims that were, could have been, or could in the future be

asserted, in the Securities Class Action or in any other action or proceeding, or otherwise, by the Class, or by any member or representative of the Class (including, without limitation, any claims for alleged violations of federal or state statutory or common law, or any other law, and for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), arising from or relating to the Offering or to the purchase or acquisition of securities of Chanticleer either (i) pursuant and/or traceable to the Registration Statement issued in connection with Chanticleer's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive; *provided, however*, that the term "Released Plaintiffs' Claims" does not include any claims to enforce the Securities Class Action Settlement Agreement or any other documents executed in connection with this Securities Class Action Settlement.

"Releasee" means each and every one of, and "Releasees" means all of (i) Chanticleer, (ii) the Individual Defendants, (iii) Creason, and (iv) their past or present affiliates, subsidiaries, parents, officers, directors, employees, officials, members, partners, principals, agents, representatives, attorneys (including any and all in-house and outside counsel including, without limitation, Defendants' Counsel), advisors, investment advisors, administrators, auditors (including any and all internal and external auditors), accountants, actuaries, consultants, fiduciaries, representatives, service providers, successors or predecessors, trustees, the underwriters, insurance carriers, reinsurers, estates, heirs, executors, beneficiaries, trusts, assigns of *any or all* of (i), (ii) and (iii) named above, and any person or entity in which any of the above has a Controlling Interest.

If you desire, please read the Stipulation and Agreement of Settlement at www.strategicclaims.net (or call for a copy of it) for a fuller explanation of the definition of "Released Plaintiffs' Claims," and the other terms above.

If you do not exclude yourself, you may sign and submit a Claim Form to claim a share in the Net Cash Settlement Amount and this will be the only compensation from the Settlement you will receive for any losses you may have incurred from purchases of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep the right to sue or continue to sue the Defendants with respect to the Released Plaintiffs' Claims, then you must take steps to get out of the Settlement. This is called excluding yourself from – or "opting out" of – the Settlement. To exclude yourself from the Settlement, you must mail a letter, first class, stating you want to be excluded as a Class Member from Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER. You must include your name, address, telephone number, e-mail address and your signature, along with an accurate list of all of your purchases and sales of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, including the dates of each purchase and sale, the number of shares in each transaction and the amounts paid or received in each transaction (excluding commissions, taxes and other charges). You must mail your exclusion request, so that it is **postmarked** no later than July 24, 2014, to the Settlement Administrator at the following address:

Chanticleer Securities Litigation
Settlement Administrator
c/o Strategic Claims Services
600 North Jackson Street—Suite 3
P.O. Box 230
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail.

If you properly exclude yourself, you will not receive a Settlement payment, you cannot object to the Settlement and you will not be legally bound by the judgment in this case.

12. If I do not properly exclude myself, can I sue Defendants for the same thing later?

No. Unless you followed the procedure outlined in the Notice, you have given up any right to sue Defendants or the Releasees for the claims that the Settlement resolves. If you have a pending lawsuit against any of the Defendants or any of the Releasees, speak to your lawyer immediately. You must have excluded yourself from the Settlement to continue your own lawsuit against the Defendants or the Releasees.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for The Rosen Law Firm is provided below:

The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
Tel: (212) 686-1060
www.rosenlegal.com

14. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Qualified Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Qualified Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Fairness Hearing to make an award of attorneys' fees in an amount not to exceed one-third of Settlement Amount, and for reimbursement of their already paid or incurred litigation expenses not to exceed twenty seven thousand five hundred dollars (\$27,500). This request is in the range of fees awarded to counsel in other cases of this type. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Qualified Settlement Fund.

If the above amounts for fees and expenses are approved by the Court, the average cost per share of Chanticleer common stock will be \$0.08.

On or before July 10, 2014, the filed copy of Class Counsel's request for attorneys' fees and expenses will be made available at the Chanticleer settlement website at www.strategicclaims.net.

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I do not like the Settlement or any part of it?

If you are a Class Member, you can tell the Court you do not agree with the Settlement or any part of it, including the proposed Plan of Allocation, or the request for attorneys' fees and expenses to Class Counsel. You must deliver a letter stating that you object to the Settlement in Howard v. Chanticleer Holdings, Inc., et al., Case No. 12-cv-81123-COHN/SELTZER and must include your name, address, telephone number, e-mail address, signature, a list of your purchases and sales of Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, in order to show your membership in the Class, and all of the reasons you object to the Settlement or any part of it or any request for payment. The letter must state the Class Member's objections, the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention, and documents sufficient to prove membership in the Class.

Be sure to mail your letter to the following addresses so that it is **postmarked** no later than July 24, 2014, and to file the letter with the Court, so the Court will consider your views:

COURT	PLAINTIFFS' COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of Florida 299 East Broward Boulevard Fort Lauderdale, FL 33301	Laurence Rosen, Esq. Phillip Kim, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016 <i>Counsel for Lead Plaintiff</i>	Stanley H. Wakshlag, Esq. Kenny Nachwalter P.A. 1100 Miami Center 201 South Biscayne Boulevard Miami, FL 33131 <i>Counsel for Chanticleer Holdings, Inc., Michael Pruitt, Eric Lederer, Paul Moskowitz, Michael Carroll, Keith Johnson</i> Mark D. Hunter, Esq. Hunter Taubman Weiss LLP 255 University Drive Coral Gables, FL 33134 James D. Sallah Sallah & Cox LLC One Boca Place 2255 Glades Road, Suite 300E Boca Raton, Florida 33431 <i>Counsel for Creason & Associates, P.L.L.C.</i>

16. What is the difference between objecting and requesting exclusion?

Objecting is telling the Court you do not like something about the Settlement, the proposed Plan of Allocation, or the requests for attorneys' fees or similar payments.

You can object only if you stay in the Class.

Requesting exclusion is telling the Court that you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

THE COURT'S FINAL SETTLEMENT HEARING

17. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on August 14, 2014, at 9:30 a.m., in Courtroom 203E at the United States District Court for the Southern District of Florida, Fort Lauderdale Division, 299 E. Broward Blvd., Fort Lauderdale, FL 33301.

At this hearing, the Court will consider (i) whether the proposed Settlement should be approved as fair, reasonable and adequate; (ii) whether all settled Claims should be dismissed with prejudice; (iii) whether an order approving the Settlement should be entered; (iv) whether the allocation of the Qualified Settlement Fund should be approved; (v) whether the Attorneys' Fees and Expenses Application should be approved; and (vi) other matters as the Court may deem appropriate. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses. The Court may adjourn or postpone the date of the hearing without further notice to the Class.

18. Do I have to come to the hearing?

No, although you are welcome to attend at your own expense. If you object to the Settlement in writing, and do so in compliance with the instructions set forth in this Notice, the Court will consider it, and you do not have to come to Court to talk about it. If, however, you, or an attorney you hire at your own cost, intend to appear and speak at the hearing, you must indicate that you will do so in the letter containing your objections or in a separate letter which must be mailed to the same persons by the same postmark deadline as noted in Question No. 15, above. You must indicate who will speak, any witnesses you will question and all evidence you will ask the Court to consider.

IF I DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, if the Settlement is approved, you or anyone acting or purporting to act on your behalf will be permanently and forever enjoined from prosecuting, attempting to prosecute or assisting others in the prosecution of any settled Claims against the Released Parties and/or Releasees.

20. How can I get more information about the Settlement and Class Counsel's request for attorneys' fees and expenses?

This is only a summary of the Settlement and the other matters discussed here. You can get more information about the Settlement by contacting the Settlement Administrator at the addresses and numbers noted above. A copy of the Stipulation and Agreement of Settlement, which has been filed with the Court, and all related documents can be found on the Settlement Administrator's web site at www.strategicclaims.net.

The papers submitted in support of the Settlement and Class Counsel's request for the Court's approval of an award of fees and expenses, will be made available by July 10, 2014 and posted on www.strategicclaims.net.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you purchased or otherwise acquired Chanticleer securities either (i) pursuant and/or traceable to the Company's June 21, 2012 public offering or (ii) on the open market between June 21, 2012 and February 19, 2013, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that within seven (7) days after you receive this Notice, you must either (1) send a copy of this Notice and the Proof of Claim form by first class mail to all such persons or entities or (2) provide a list of the names and addresses of such persons or entities to the Settlement Administrator.

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Settlement Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

In either case, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Settlement Administrator.

DATED: APRIL 22, 2014.

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA