

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

In re:	§	Chapter 11
	§	
CROSSROADS SYSTEMS, INC.	§	Case No. 17-51926
	§	
Debtor.	§	
	§	

**NOTICE OF COMMENCEMENT OF CASE, BAR DATE FOR FILING PROOFS OF CLAIM, AND
COMBINED HEARING TO CONSIDER (I) APPROVAL OF DISCLOSURE STATEMENT WITH
RESPECT TO JOINT PREPACKAGED PLAN OF THE DEBTOR AND
(II) CONFIRMATION OF JOINT PREPACKAGED PLAN OF THE DEBTOR**

PLEASE TAKE NOTICE THAT on August 13, 2017 (the “Petition Date”), Crossroads Systems, Inc., a Delaware corporation, debtor-in-possession in the above-captioned bankruptcy proceeding (the “Debtor”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) commencing the above-captioned case (the “Chapter 11 Case”). Concurrently with the commencement of the Chapter 11 Case, the Debtor filed the *Prepackaged Plan of Reorganization for Crossroads Systems, Inc. Under Chapter 11 of the United States Bankruptcy Code* (as modified, amended, or supplemented from time to time, the “Prepackaged Plan”)¹ and the *Disclosure Statement Under 11 U.S.C. § 1125 in Support of the Prepackaged Plan of Reorganization for Crossroads Systems, Inc. Under Chapter 11 of the United States Bankruptcy Code* (as modified, amended, or supplemented from time to time, the “Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE THAT:

1. **Non-Solicitation of Votes.** Except for Class 5 Preferred Interests, all classes of Claims and Interests under the Prepackaged Plan are unimpaired and deemed to accept the Prepackaged Plan. Because none of the classes of Claims and Interests under the Prepackaged Plan are impaired except for Class 5 Preferred Interests, the Debtor is not required to solicit acceptances of the Prepackaged Plan, and the Debtor will not be circulating ballots or otherwise soliciting votes to accept the Prepackaged Plan to classes other than Class 5 Preferred Interests.
2. **Solicitation of Votes for Class 5.** Because Class 5 is impaired under the Prepackaged Plan, the Debtor is required to solicit the votes of Class 5 Preferred Interests. The Debtor began soliciting votes of Class 5 before the Petition Date. The Debtor has the requisite amount of votes to demonstrate acceptance by Class 5.
3. **Disclosure Statement and Prepackaged Plan Hearing.** A hearing will be held before the Honorable Judge Ronald B. King, United States Bankruptcy Judge, in Courtroom No. 3 of the Hipolito F. Garcia Federal Building and United States Courthouse, 615 East Houston Street, San Antonio, Texas 78205, on _____, 2017, at _ : _ .m. (CDT) (the “Combined Hearing”) to consider entry of an order, among other things, determining that the Disclosure Statement contains “adequate information” within the meaning ascribed to such term in Bankruptcy Code § 1125, approving the Disclosure Statement, and confirming the Prepackaged Plan. The Debtor may modify the Prepackaged Plan, if necessary, prior to, during, or because of the Combined Hearing, in accordance with the terms of the Prepackaged Plan. The Debtor will file any modifications to the Prepackaged Plan with the Court prior to the Hearing.
4. **Copies of the Prepackaged Plan and Disclosure Statement.** Any party in interest that wishes to obtain a copy of the Plan and Disclosure Statement should contact Eric Terry Law, PLLC Attn: Eric Terry, at 210.468.8274 or via email at: eric@ericterryllaw.com. Copies can also be downloaded from

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Prepackaged Plan.

www.crossroads.com. **You will not receive a copy of the Prepackaged Plan and Disclosure Statement unless you request a copy or download it from the website.**

5. **Objection Deadline and Procedures.** Objections, if any, to approval of the Disclosure Statement and/or confirmation of the Prepackaged Plan must: (a) be in writing; (b) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (c) state with particularity the basis and nature of any objection to the Disclosure Statement and/or the Prepackaged Plan and/or proposed modification to the Prepackaged Plan; and (c) be filed, together with proof of service, with the Court and served so that they are actually received by the following parties no later than **September __, 2017, at __: __ .m. (CDT)**: (i) counsel for the Debtor, Eric Terry, Eric Terry Law, PLLC, 3511 Broadway, San Antonio, Texas 78209, eric@ericterryllaw.com; (ii) counsel for 210: Gibson, Dunn & Crutcher LLP, Attn: Michael A. Rosenthal and Matthew G. Bouslog, 200 Park Avenue, New York, New York 10166-0193; and (iii) Office of the United States Trustee for the Western District of Texas, 615 E. Houston Street, Suite 533, San Antonio, Texas 78205. Failure to file and serve any objection to the Disclosure Statement and/or the Prepackaged Plan in conformity with the foregoing procedures may result in the objecting party not being heard at the hearing.
6. **ARTICLE IX OF THE PREPACKAGED PLAN CONTAINS CERTAIN RELEASES, EXCULPATIONS AND INJUNCTIONS. YOU ARE ENCOURAGED TO REVIEW THE TERMS OF THE PREPACKAGED PLAN.**
7. **Bar Date for Filing Claims.** Pursuant to the Court's *Order (I) Authorizing the Mailing of Notices, (II) Establishing a Bar Date for Filing Proofs of Claim; (III) Establishing Ramifications for Failure to Timely File Claims; (IV) Approving Consolidated Notice of (A) Case Commencement and (B) Bar Date, and (V) Approving Notice Procedures* (the "**Bar Date Order**"), _____, **2017 (the "Claims Bar Date")**) was established as the deadline for creditors of the Debtor to file proofs of claim against the Debtor's estate. If you need a proof of claim form, you may contact the Debtor's counsel, Eric Terry, Eric Terry Law, PLLC, 3511 Broadway, San Antonio, Texas 78209, eric@ericterryllaw.com.
8. **Trading Restrictions.** The Court has entered the *Interim Order Establishing Notification and Hearing Procedures for Transfers of Certain Equity Securities* (the "**Trading Order**"). The Trading Order establishes required procedures for trading equity securities of the Debtor. Equity Interest Holders should carefully review the Trading Order, which is being separately served upon them and will be available for download at <https://www.crossroads.com>.
9. **Additional Information.** For more information about the Combined Hearing, or for copies of the Prepackaged Plan or Disclosure Statement, Bar Date Order or proof of claim form, parties should contact Eric Terry Law, PLLC, Attention: Eric Terry, via facsimile at 210.319.5447 or via email eric@ericterryllaw.com.
10. The Combined Hearing may be adjourned from time to time without further notice to parties in interest other than by an announcement in Court of such adjournment on the date scheduled for the Combined Hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtor with the Court.

Dated: _____, 2017

ERIC TERRY LAW, PLLC

By: /s/ Draft

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**PROPOSED ATTORNEY FOR THE DEBTOR-
IN-POSSESSION**