

CROSSROADS SYSTEMS, INC.
8214 Westchester Dr., Suite 950
Dallas, Texas 75225

SUPPLEMENT TO PROXY STATEMENT
FOR
2019 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On December 10, 2019

This proxy statement supplement (this “Proxy Supplement”), dated December 4, 2019, supplements the definitive proxy statement (the “Proxy Statement”) of Crossroads Systems, Inc. (the “Company,” “Crossroads,” “we,” “us” or “our”), dated November 6, 2019 and made available to you in connection with the solicitation of proxies by our board of directors (the “Board”) for our 2019 Annual Meeting of Stockholders (the “Annual Meeting”) to be held on December 10, 2019, at 12:30 p.m., local time, at 8214 Westchester Dr., Suite 950, Dallas, Texas 75525. You should read the entire Proxy Statement, this Proxy Supplement (which contains important information that supplements and updates the Proxy Statement), and any additional proxy materials carefully before voting your shares. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Proxy Statement.

Security Ownership of Certain Beneficial Owners and Management

The following supplements the information set forth in the section titled “Security Ownership of Certain Beneficial Owners and Management” beginning on page 6 of the Proxy Statement.

The following table sets forth, as of November 4, 2019 information with respect to the outstanding shares of Common Stock, par value \$0.001 per share, beneficially owned by each person (including any “group” as that term is used in Section 13(d)(3) of the Exchange Act) known to the Company to be the beneficial owners of more than 5% of any class of the Company’s voting securities, each director of the Company, the principal executive officer and principal financial officer of the Company and all persons then serving as directors and officers of the Company as a group. Unless otherwise indicated, the address of each individual beneficial owner listed in the following table is c/o 8214 Westchester Dr., Suite 950 Dallas, Texas 75225. Except as otherwise indicated, all shares are owned directly.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
5% Owners		
210/CRDS Investment LLC (2)	1,492,285	24.9%
Westchester Standard LLC	557,255	9.3%
Mark Crockett	466,233	7.8%
Southwest Federated North Texas LP	399,629	6.7%
Charles A. Vose III	299,722	5.0%
Directors and Officers		
Robert Alpert (2)	1,492,285	24.9%
C. Clark Webb (2)	1,492,285	24.9%
Claire Gogel	193,438	3.2%

James Pérez Foster (3)	601	*
Ray Kembel	401	*
Eric Donnelly (4)	532,838	8.9%
Farzana Giga (5)	432,931	7.2%
All directors and executive officers as a group (seven persons)	2,652,494	44.4%

*Less than 1%.

- (1) For purposes of this table, a person is deemed to have “beneficial ownership” of any shares as of a given date (i) which such person has the right to acquire within 60 days after such date, (ii) over which such person has voting power or (iii) over which such person has investment power, including disposition power. For purposes of computing the percentage of outstanding shares held by each person named above on a given date, any security which such person has the right to acquire within 60 days after such date is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.
- (2) Consists of 1,492,285 shares directly owned by 210/CRDS Investments LLC, a Texas limited liability company (“210”). Robert H. Alpert and C. Clark Webb are Managing Members of 210. By virtue of these relationships, Messrs. Alpert and Webb may be deemed to beneficially own the shares owned directly by 210. The address for each of 210, Mr. Alpert and Mr. Webb is 8214 Westchester Drive, Suite 950, Dallas, Texas 75225.
- (3) Includes 200 shares held by Mr. Pérez Foster’s spouse.
- (4) Consists of 532,838 shares held directly by EDUCM Inc., of which Mr. Donnelly is the sole stockholder. By virtue of this relationship, Mr. Donnelly may be deemed to beneficially own the shares owned by EDUCM Inc.
- (5) Consists of 432,931 shares held directly by Giga Investments LLC, of which Ms. Giga and her spouse are the sole members. By virtue of this relationship, Ms. Giga may be deemed to beneficially own the shares owned by Giga Investments LLC.