

**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.	§	
	§	

**DEBTOR’S EMERGENCY MOTION FOR AN ORDER (I) COMBINING
THE HEARING ON THE PREPACKAGED PLAN OF THE DEBTOR
AND DISCLOSURE STATEMENT, (II) APPROVING NOTICES
RELATED THERETO, AND (III) GRANTING RELATED RELIEF**

Crossroads Systems, Inc., a Delaware corporation., as debtor-in-possession in the above-captioned chapter 11 case (the “Debtor”), files this *Debtor’s Emergency Motion for an Order (I) Combining the Hearing on the Prepackaged Plan of the Debtor and Disclosure Statement, (II) Approving Notices Related Thereto, and (III) Granting Related Relief* (the “Motion”) and in support thereof, respectfully represents as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On August 13, 2017 (the “Petition Date”), the Debtor commenced the above captioned case (the “Chapter 11 Case”) by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtor continues to manage and operate its business as a debtor-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108. No

request for the appointment of a trustee or examiner has been made in the Chapter 11 Case, and no committees have been appointed or designated.

3. Concurrently with the commencement of the Chapter 11 Case, the Debtor is filing its *Prepackaged Plan of Reorganization for Crossroads Systems, Inc. Under Chapter 11 of the United States Bankruptcy Code* (the “Prepackaged Plan”)¹ and *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* (the “Disclosure Statement”). Only Preferred Interests (Class 5) are impaired under the Prepackaged Plan. Therefore, only holders of Preferred Interests are entitled to vote. All other classes of claims and interests are unimpaired, and therefore, not entitled to vote and are deemed to have accepted the Prepackaged Plan.

4. Solicitation on the Prepackaged Plan began prior to the filing of the Chapter 11 Case, and, prior to the Petition Date, the Debtor had received acceptances to the Prepackaged Plan from holders of more than two-thirds of equity interests in the only class impaired by the Prepackaged Plan. The Debtor is requesting that the Bankruptcy Court set a date for a hearing to determine whether the requirements of confirmation of the Prepackaged Plan have been satisfied within thirty-two (32) days of the Petition Date.

5. A detailed description of the Debtor and its business, and the facts and circumstances supporting the Motion and the Debtor’s Chapter 11 Case is set forth in greater detail in the *Declaration of Jennifer Crane, Chief Financial Officer in Support of First Day Motions* (the “First Day Declaration”), filed contemporaneously herewith and incorporated herein by reference.

Relief Requested

6. The Debtor requests entry of an order substantially in the form attached hereto as

¹ Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Prepackaged Plan.

Exhibit A setting a combined hearing on confirmation of the Prepackaged Plan and approval of the Disclosure Statement, and granting related relief.

7. Specifically, the Debtor requests that the Bankruptcy Court:
 - (a) Set a combined hearing to consider approval of the adequacy of the Disclosure Statement and confirmation of the Prepackaged Plan (the “Combined Hearing”);
 - (b) Approve (i) the time fixed for filing objections to the adequacy of the Disclosure Statement and/or to confirmation of the Prepackaged Plan and (ii) the time, date, and place of the Combined Hearing;
 - (c) Approve the Combined Hearing Notice, Notice of Unimpaired Non-Voting Status, and Publication Notice (each as defined below);
 - (d) Waive Bankruptcy Rule 3020(e); and
 - (e) Waive the requirement to file a list of and provide notice directly to equity security holders.

Basis for Relief Requested

A. Setting Combined Hearing Date on Approval of Disclosure Statement and Prepackaged Plan and Approval of Combined Hearing Notice and Objection Procedures

i. Combined Hearing Date, Combined Hearing Notice, and Objection Deadline

8. Bankruptcy Code § 1128 provides that “[a]fter notice, the court shall hold a hearing on confirmation of a plan” and that “[a] party in interest may object to confirmation of a plan.” 11 U.S.C. § 1128. Bankruptcy Code § 105 expressly provides that a court may issue an order that “provides that the hearing on approval of the disclosure statement may be combined with the hearing on confirmation of the plan.” 11 U.S.C. § 105(d)(2)(B)(vi); *see also In re Gulf Coast Oil Corp.*, 404 B.R. 407, 425 (Bankr. S.D. Tex. 2009) (“Section 1125(f) authorizes combined plans and disclosure statements in small business cases and § 105(d) authorizes the court to combine them in other cases.”).

9. Bankruptcy Rule 3017 requires that notice of the hearing to consider the proposed disclosure statement be provided to creditors and other parties in interest, and that the court shall hold a hearing to consider the disclosure statement and any objections thereto on twenty-eight days' notice as provided in Rule 2002. Pursuant to Bankruptcy Rule 3020(b), objections to confirmation of a plan must be filed and served "within a time fixed by the court." Bankruptcy Rules 2002(b) and 2002(d) require twenty-eight days' notice of the hearing on both the adequacy of a disclosure statement and confirmation of a plan and for filing objections to both a disclosure statement and confirmation of a plan.

10. In accordance with Bankruptcy Rules 2002, 3017, 3020, and 9006, the Debtor proposes to provide to all creditors and shareholders the notice of combined hearing substantially in the form annexed hereto as **Exhibit B**, (the "Combined Hearing Notice") setting forth (i) the procedure for obtaining a copy of the Disclosure Statement and the Prepackaged Plan, (ii) the deadline for filing objections to confirmation of the Prepackaged Plan and the Disclosure Statement, and (iii) the time, date, and place for the Combined Hearing. Assuming an Order is entered on or before August 15, 2017, the Debtor shall transmit by August 17, 2017 the Combined Hearing Notice to all creditors and parties with an interest in the Prepackaged Plan. Copies of the Disclosure Statement and Prepackaged Plan will also be provided upon request to counsel for the Debtor.

11. The Debtor requests that the Combined Hearing be scheduled for not later than September 14, 2017, or as soon as possible thereafter as the Court's calendar will permit, and that the deadline for objecting to the Disclosure Statement and/or confirmation of the Prepackaged Plan be established as September 12, 2017, at 4:00 p.m. (CST) (the "Objection Deadline"). Because the Combined Hearing Notice will be served on or before August 17, 2017, parties in interest will

receive at least twenty-one (21) days' notice of the Objection Deadline and twenty-two (22) days' notice of the Combined Hearing date. The proposed Objection Deadline will afford the Court, the Debtor, and other parties in interest sufficient time to consider the objections and proposed modifications prior to the Combined Hearing.

12. The Debtor believes that the foregoing procedures will provide adequate notice of the Combined Hearing and the Objection Deadline related thereto. Accordingly, the Debtor respectfully requests that (i) the Combined Hearing be scheduled for September 14, 2017, or as soon thereafter as the Court's calendar will permit and (ii) the Objection Deadline be established as September 12, 2017, at 4:00 p.m. (CDT).

ii. Procedure for Objecting to the Prepackaged Plan and/or Disclosure Statement

13. The Combined Hearing Notice provides, and the Debtor requests that the Court direct, that any objections to the adequacy of the Disclosure Statement or confirmation of the Prepackaged Plan must (i) be in writing, (ii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party, (iii) state with particularity the basis and nature of any objection or proposed modification to the Prepackaged Plan to cure such Objection, and (iv) be filed, together with proof of service, with the Court and served so as to be actually received no later than 4:00 p.m. (CDT) on September 12, 2017, by: (a) counsel for the Debtor; (b) counsel for 210 (as defined in the Prepackaged Plan); and (c) and the Office of the United States Trustee for the Western District of Texas.

14. Pursuant to Bankruptcy Code § 1127, the Debtor reserves the right to modify the Prepackaged Plan, prior to or during, the Combined Hearing in order to address any objections or as otherwise appropriate. Modifications of the Prepackaged Plan will be filed with the Court.

B. Approval of Notice of Unimpaired Non-Voting Status

15. Bankruptcy Rule 3017(d) provides, in relevant part, as follows:

If the court orders that the disclosure statement and the plan or a summary of the plan shall not be mailed to any unimpaired class, notice that the class is designated in the plan as unimpaired and notice of the name and address of the person from whom the plan or summary of the plan and disclosure statement may be obtained upon request and at the plan proponent's expense, shall be mailed to members of the unimpaired class together with the notice of the time fixed for filing objections to and the hearing on confirmation.

Fed. R. Bankr. P. 3017(d). The holders of Claims in Classes 1, 2, 3, and 4, and holders of Interests in Class 6 (collectively, the "Unimpaired Non-Voting Classes") are unimpaired under the Prepackaged Plan. Therefore, the holders of claims and interests in such classes are conclusively presumed to accept the Prepackaged Plan. 11 U.S.C. § 1126(f).

16. Consistent with Bankruptcy Rule 3017(d), the Debtor proposes to send to holders of such unimpaired claims a Combined Hearing Notice and a Notice of Unimpaired Non-Voting Status, substantially in the form annexed hereto as **Exhibit C** (the "Notice of Unimpaired Non-Voting Status"), which identifies each such class as unimpaired and provides instructions to such holders of unimpaired claims regarding the availability of the Prepackaged Plan and Disclosure Statement and how copies may be obtained. As noted above, the Debtor requests that the Court determine that they are not required to distribute copies of the Prepackaged Plan and Disclosure Statement to any holder of a claim or interest in the Unimpaired Non-Voting Classes, unless such party makes a written request for paper copies of such documents to Eric Terry Law, PLLC, Attn: Eric Terry, 3511 Broadway, San Antonio, Texas 78209, or by email at eric@ericterrylaw.com. The Debtor will make an electronic copy of the Pre-Packaged Plan and Disclosure Statement available at the website indicated on the Exhibit C. The Debtor therefore requests that the Court approve the Notice of Unimpaired Non-Voting Status

C. Approval of Publication Notice

17. Additionally, the Debtor intends to publish the notice of commencement of the Chapter 11 Case and notice of combined hearing in the form attached hereto as **Exhibit D** in the national edition of one of the following newspapers: The Wall Street Journal, The New York Times, or USA Today (the “Publication Notice”). The Debtor therefore requests that the Court approve the Publication Notice.²

D. Approval of the Disclosure Statement and Confirmation of the Prepackaged Plan

18. The Debtor requests approval of the Disclosure Statement and confirmation of the Prepackaged Plan. As will be described in more detail in a brief supporting final approval of the Disclosure Statement and confirmation to be filed in advance of the Combined Hearing, and as will be established at the Combined Hearing, the Disclosure Statement and Prepackaged Plan satisfy all of the requirements for approval and confirmation under the Bankruptcy Code.

E. Waiver of the Requirement to File an Equity List and Provide Notices Directly to Equity Security Holders

19. Bankruptcy Rule 1007(a)(3) provides that, “unless the court orders otherwise, the debtor shall file within fourteen (14) days after entry of the order for relief a list of the debtor’s equity security holders of each class showing the number and kind of interests registered in the name of each holder, and the last known address or place of business of each holder.” Fed. R. Bankr. P. 1007(a)(3). Bankruptcy Rule 2002(d) provides that, “unless otherwise ordered by the

² Pursuant to the *Debtor’s Emergency Motion for 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 “Motion to Shorten Bar Date”) filed contemporaneously herewith, the Debtor is also seeking to shorten the bar date for filing proofs of claim in the Chapter 11 Case and is seeking authorization to file the Publication Notice incorporating information relating to the shortened bar date. For purposes of efficiency, the Debtor is proposing to make a single publication notice that will include the information from both the Motion and the Motion to Shorten Bar Date. To the extent the Motion to Shorten Bar Date is not approved or the relief requested therein relating to the Publication Notice is modified, the Publication Notice will be modified accordingly.

court,” notice shall be provided to all equity holders of the commencement of the case, any equity holders’ meeting under Bankruptcy Code § 341, certain asset sales, conversion or dismissal hearings, the disclosure statement deadline, the confirmation objection deadline, and the voting deadline. Fed. R. Bankr. P. 2002(d).

20. The Debtor is a public company traded on the Nasdaq Market under the symbol CRDS. The holders of such common stock change on a regular basis through active trading. The Debtor does not maintain a list of its equity security holders (an “Equity List”) and therefore must obtain the names and addresses of its shareholders from a securities agent.

21. The Debtor submits that preparing an Equity List with accurate names and last known addresses, and providing notices to all such parties of the commencement of the Chapter 11 Case would create undue expense and administrative burden without a corresponding benefit to the estate or parties in interest. The Debtor has provided a list of all of its holders of Preferred Interests. Further, as soon as is practicable following the date hereof, the Debtor intends to cause the notices required under Bankruptcy Rule 2002(d) to be served on transfer agents of holders of the Debtor’s common stock through Broadridge. Accordingly, the Debtor respectfully requests that the requirements to file a list of and to provide notice directly to equity security holders be waived. Furthermore, the Debtor intends to file the Publication Notice and to place a notice of the Chapter 11 Case and other relevant information on its website.

22. Bankruptcy courts in the Fifth Circuit and others routinely grant substantially similar relief in cases involving publicly-traded debtors. *See, e.g., In re CJ Holding Co.*, No. 16-33590 (DRJ) (Bankr. S.D. Tex. July 21, 2016) (waiving the requirements to file a list of and to provide notice of commencement of the case to equity security holders); *In re Linn Energy LLC*, No. 16-60040 (DRJ) (Bankr. S.D. Tex. May 13, 2016) (waiving the requirements to file a list of

and to provide notice of commencement of the case to equity security holders); *In re Ultra Petrol. Corp.*, No. 16-32202 (MI) (Bankr. S.D. Tex. May 3, 2016) (waiving the requirement to file a list of equity security holders and provide direct notice); *In re Lehman Bros. Holdings Inc.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. Sept. 16, 2008) (same)

23. Based on the foregoing, the Debtor submits that the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

Request for Waiver of Stay

24. Bankruptcy Rule 3020(e) provides that the effectiveness of a confirmation order is stayed until fourteen days after the entry of the order, “unless the court orders otherwise.” The Debtor seeks a waiver of the fourteen-day stay under Bankruptcy Rule 3020(e), such that an order confirming the Prepackaged Plan will be immediately effective upon its entry.

WHEREFORE, the Debtor respectfully requests that the Court (i) grant the Motion and (ii) grant such other and further relief as is just and proper.

RESPECTFULLY SUBMITTED this 13th day of August, 2017

ERIC TERRY LAW, PLLC

By: /s/ Eric Terry
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**PROPOSED ATTORNEY FOR THE DEBTOR-
IN-POSSESSION**

Exhibit A
Proposed Order

**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. §
§
§

**ORDER APPROVING DEBTOR’S EMERGENCY MOTION FOR AN
ORDER (I) COMBINING THE HEARING ON THE PREPACKAGED
PLAN OF THE DEBTOR AND DISCLOSURE STATEMENT, (II)
APPROVING NOTICES RELATED THERETO, AND (III) GRANTING
RELATED RELIEF**

On _____, 2017, the Court conducted a hearing to consider the *Debtor’s Emergency Motion for an Order (I) Combining the Hearing on the Prepackaged Plan of the Debtor and Disclosure Statement, (II) Approving Notices Related Thereto, and (III) Granting Related Relief* (the “Motion”),¹ filed by the above-captioned debtor (the “Debtor”). The Court finds that: (i) it

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtor, its estate, and its creditors and shareholders; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein.

IT IS HEREBY FOUND AND DETERMINED THAT

A. The Debtor has filed its *Prepackaged Plan of Reorganization for Crossroads Systems, Inc. Under Chapter 11 of the United States Bankruptcy Code* (together with all exhibits, and as it may be further amended or supplemented, the “Prepackaged Plan”) and *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* (together with all exhibits, and as it may be further amended, the “Disclosure Statement”).

B. The proposed timeline for the Combined Hearing complies with the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules and will enable the Debtor to pursue confirmation of the Prepackaged Plan in a timely fashion.

C. The Debtor has the right to seek modifications or extensions of the matters governed by this Order.

D. The legal and factual bases set forth in the Motion and at the hearing on the Motion establish just cause for the relief granted herein.

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED**.
2. All objections to the Motion not otherwise settled or withdrawn are hereby overruled.

3. The notice of (i) the time fixed for filing objections to the adequacy of the Disclosure Statement and/or to confirmation of the Prepackaged Plan and (ii) the time, date, and place of the Combined Hearing, substantially in the form annexed hereto as **Exhibit A**, (the “Combined Hearing Notice”) is approved.

4. The Debtor will serve the Combined Hearing Notice on all known Holders of Claims and Interests and all other parties entitled to notice in the Chapter 11 Case (regardless of whether such parties are entitled to vote to accept or reject the Prepackaged Plan) by August __, 2017.

5. Pursuant to Bankruptcy Rule 3017(d), the Debtor shall be excused from any requirement to serve or otherwise transmit the Prepackaged Plan, the Disclosure Statement, or any notice thereof, other than serving the Combined Hearing Notice in accordance with this Order to the unimpaired classes of claims and interests

6. A combined hearing shall be held before the Honorable Ronald B. King, United States Bankruptcy Judge, in Courtroom No. 3 of the _____, San Antonio, Texas ____ - ____, on **September __, 2017 at __: __ .m. (CDT)** (the “Combined Hearing”) to consider entry of an order, among other things, (i) determining that the Disclosure Statement contains “adequate information” within the meaning ascribed to such term in Bankruptcy Code § 1125, and approving the Disclosure Statement and (ii) confirming the Prepackaged Plan.

7. The Notice of Unimpaired Non-Voting Status, substantially in the form annexed hereto as **Exhibit B**, is approved.

8. The Publication Notice, substantially in the form annexed hereto as **Exhibit C**, is approved and shall be published on at least one (1) day in the national edition of one of the following newspapers: The Wall Street Journal, The New York Times, or USA Today, with the first publication date to occur not less than seven (7) days following the entry of this Order.

9. The Debtor shall make (i) the Prepackaged Plan and Disclosure Statement, (ii) the Combined Hearing Notice, and (iii) the Notice of Unimpaired Non-Voting Status available upon written request by any party-in-interest. The Debtor shall make an electronic copy of the Prepackaged Plan and Disclosure Statement available at its website www.crossroads.com.

10. The requirement under Bankruptcy Rule 1007(a)(3) to file an Equity List for the Debtor is waived.

11. Any requirement that the Debtor provide notice directly to equity security holders under Bankruptcy Rule 2002(d) is waived, and the Debtor is authorized to serve the notices required under Bankruptcy Rule 2002(d) on the holders of Preferred Interests, the registered holders of the Debtor's Common Interests by regular and on transfer agents of the Debtor's Equity Interests through Broadridge.

12. The Debtor is authorized to make non-substantive modifications to the Disclosure Statement, Prepackaged Plan, Combined Hearing Notice, Notice of Unimpaired Non-Voting Status, Publication Notice, and related documents without further order of the Court, including modifications to correct typographical and grammatical errors, if any, before distribution.

13. Objections or responses to the adequacy of the Disclosure Statement and/or to confirmation of the Prepackaged Plan, if any, shall (i) be in writing, (ii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party, (iii) comply with the Bankruptcy Rules and the Local Bankruptcy Rules, (iv) state with particularity the basis and nature of any objection or proposed modification to the Prepackaged Plan, and (v) be filed, together with proof of service, with the Court and served so as to be actually received by: (a) counsel for the Debtor, Eric Terry, Eric Terry Law, PLLC, 3511 Broadway, San Antonio, Texas 78209; (b) 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, so as to be actually received no later than **4:00 p.m. (CDT), on _____, 2017 (the “Objection Deadline”).**

14. Objections to the Disclosure Statement and/or to the confirmation of the Prepackaged Plan that are not timely filed, served, and actually received in the manner set forth above shall not be considered and shall be deemed overruled.

15. The Debtor is authorized to file its witness and exhibit list on or before 12:00 p.m. on the date that is (2) days prior to the date of the Combined Hearing and exchange such exhibits by such date.

16. The Debtor is authorized to submit its proposed Findings of Fact and Conclusions of Law to be filed with the Court on the date that is two (2) days prior to the Combined Hearing.

17. The Debtor is authorized to file a brief in support and/or reply to any objections to the Prepackaged Plan or Disclosure Statement on the date that is two (2) days prior to the Combined Hearing.

18. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

19. This Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

END OF ORDER

Submitted by:

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

Exhibit B to Motion

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

In re: § Chapter 11
CROSSROADS SYSTEMS, INC. §
Debtor. §
§
§
§

NOTICE OF COMBINED HEARING TO CONSIDER (I) APPROVAL OF DISCLOSURE STATEMENT WITH RESPECT TO PREPACKAGED PLAN OF THE DEBTOR AND (II) CONFIRMATION OF PREPACKAGED PLAN OF THE DEBTOR

PLEASE TAKE NOTICE THAT on August 13, 2017 (the “Petition Date”), Crossroads Systems, Inc., a Delaware corporation, the 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 from, and the Debtor will not be circulating ballots 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 **September __, 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 Prepackaged Plan and Disclosure Statement should contact Eric Terry Law, PLLC Att: Eric Terry, at 210.468.8274 or via email at: eric@ericterrylaw.com. Copies can also be downloaded from <https://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 4:00 p.m. (CDT)**: (i) counsel for the Debtor, Eric Terry, Eric Terry Law, PLLC,

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

3511 Broadway, San Antonio, Texas 78209, eric@ericterrylaw.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, San Antonio, Texas, Attn: Kevin Epstein. 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. **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, at 210.468.8274 or via email eric@ericterrylaw.com.
8. 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: August _____, 2017

ERIC TERRY LAW, PLLC

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PROPOSED ATTORNEY FOR THE DEBTOR-IN-POSSESSION

Exhibit C to Motion

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

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

**NOTICE OF UNIMPAIRED NON-VOTING STATUS UNDER
PREPACKAGED PLAN OF THE DEBTOR**

PLEASE TAKE NOTICE OF THE FOLLOWING:

On August 13, 2017 (the “Petition Date”), Crossroads Systems, Inc., a Delaware corporation, the 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”). All classes of Claims and Interests, except for Class 5 Preferred Interests, under the Prepackaged Plan are unimpaired and deemed to accept the Prepackaged Plan. If you are not a holder of Preferred Interests of the Debtor, you are unimpaired and the Debtor is not required to solicit your acceptances of the Prepackaged Plan. Therefore, the Debtor will not be circulating ballots or otherwise soliciting votes to accept the Prepackaged Plan on any class of Claims or Interests of the Debtor except for Class 5 Preferred Interests.

Under the terms of the Prepackaged Plan, your Claim(s) against the Debtor is/are not impaired, and therefore, pursuant to Bankruptcy Code § 1126(f), you are (i) conclusively presumed to have accepted the Prepackaged Plan and (ii) not entitled to vote on the Prepackaged Plan. If you have any questions about the status of your Claim(s), or you wish to obtain a copy of either the Prepackaged Plan or Disclosure Statement, copies of either document (including any exhibits thereto) can be obtained at no charge by contacting Eric Terry Law, PLLC Att: Eric Terry, at 210.468.8274 or via email at: eric@ericterrylaw.com. Copies can also be downloaded from 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.**

ARTICLE IX OF THE PREPACKAGED PLAN CONTAINS CERTAIN RELEASES, EXCULPATIONS AND INJUNCTIONS. YOU ARE ENCOURAGED TO REVIEW THE TERMS OF THE PREPACKAGED PLAN.

PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

Dated: _____, 2017

ERIC TERRY LAW, PLLC

By: /s/ Eric Terry
Eric Terry
Texas Bar No. 00794729
3511 Broadway
San Antonio, Texas 78209
Telephone: (210) 468-8274
Facsimile: (210) 319-5447
eric@ericterrylaw.com

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

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

Exhibit D to Motion

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

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

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

Eric Terry
Texas Bar No. 00794729
3511 Broadway
San Antonio, Texas 78209
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