

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

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On December 10, 2019

To the Stockholders of Crossroads Systems, Inc.:

The 2019 annual meeting of stockholders (the “Meeting”) of Crossroads Systems, Inc., a Delaware corporation (the “Company”), will be held on Tuesday, December 10, 2019, at 12:30 p.m., local time, at 8214 Westchester Dr., Suite 950, Dallas, Texas 75525, for the following purposes:

1. To elect seven directors to our Board of Directors (the “Board”), to serve until the 2020 annual meeting of stockholders and until their successors have been duly elected and qualified; and
2. The transaction of such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Board has fixed the close of business on November 4, 2019 as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting or any adjournment or postponement thereof. Only stockholders of record of common stock of the Company at the close of business on the record date are entitled to notice of and to vote at the Meeting.

Your vote is very important. All stockholders are cordially invited to attend the Meeting. We urge you, whether or not you plan to attend the Meeting, to submit your proxy by completing, signing, dating and mailing the enclosed proxy or voting instruction card in the postage-paid envelope provided. If a stockholder who has submitted a proxy attends the Meeting in person, such stockholder may revoke the proxy and vote in person on all matters submitted at the Meeting.

The notice and proxy statement are first being mailed to our stockholders on or about November 6, 2019.

Please follow the voting instructions on the enclosed proxy card to vote.

By Order of the Board of Directors,

Eric Donnelly
Chief Executive Officer

November 6, 2019

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

PROXY STATEMENT

**For 2019 Annual Meeting Of Stockholders
To Be Held On December 10, 2019**

This proxy statement contains information related to the 2019 annual meeting of stockholders (the “Meeting”) of Crossroads Systems, Inc. (the “Company”) to be held on Tuesday, December 10, 2019, at 12:30 p.m., at 8214 Westchester Dr., Suite 950, Dallas, Texas 75525. The notice and proxy statement are first being mailed to our stockholders on or about November 6, 2019.

About the Meeting

Purpose of the Meeting

At the Meeting, holders of the Company’s common stock, \$0.001 par value (“Common Stock”), will hear an update on the Company’s operations, have a chance to meet some of its directors and executives and will act on the following matters:

1. To elect seven directors to our Board of Directors (the “Board”), to serve until the 2020 annual meeting of stockholders and until their successors have been duly elected and qualified; and
2. The transaction of such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Who May Vote

Our outstanding voting securities consist of shares of Common Stock. Only holders of record of shares of Common Stock at the close of business on November 4, 2019, the record date of the Meeting, are entitled to notice of and to vote at the Meeting. On the record date of the Meeting, there were 5,971,994 shares of Common Stock outstanding and entitled to vote at the Meeting. The holders of a majority of the shares of Common Stock issued and outstanding and entitled to vote at the Meeting is necessary to constitute a quorum. Each share of Common Stock is entitled to one vote. The members of Capital Plus Financial LLC (“CPF”) (who collectively in the aggregate own in excess of 49.48% of the outstanding shares of Common Stock), and the members of the Board have indicated to the Company that they intend to vote all of their shares of Common Stock in favor of all proposals contained in this proxy statement.

Attending in Person

Only holders of Common Stock, their proxy holders and our invited guests may attend the Meeting. If you wish to attend the Meeting in person but you hold your shares through someone else, such as a stockbroker, you must bring proof of your ownership and identification with a photo at the Meeting. For example, you may bring an account statement showing that you beneficially owned Company shares as of November 4, 2019 as acceptable proof of ownership.

Instructions for Holders of Common Stock

How to Vote

You may vote in person at the Meeting or by proxy. We recommend that you vote by proxy even if you plan to attend the Meeting. You can always change your vote at the Meeting. Proxy cards must be received by us before voting begins at the Meeting.

How Proxies Work

Our Board is asking for your proxy. Giving us your proxy means you authorize us to vote your shares at the Meeting in the manner you direct. You may vote for all, some or none of our director nominees. You also may vote for or against any other proposal or abstain from voting.

Proxies submitted by mail will be voted by the individuals named on the proxy card in the manner you indicate. If you give us your proxy but do not specify how you want your shares voted, they will be voted in accordance with the Board's recommendations set forth in this proxy statement.

You may receive more than one proxy or voting card depending on how you hold your shares. If you hold shares through someone else, such as a stockbroker, you may get materials from them asking how you want to vote. The latest signed proxy we receive from you will determine how we will vote your shares.

Revoking a Proxy

There are three ways to revoke your proxy. First, you may submit a new signed proxy with a later date up until the existing proxy is voted. Second, you may vote in person at the Meeting (although attendance at the Meeting will not, in and of itself, constitute a revocation of the proxy). Finally, you may write to the Company's corporate secretary at 8214 Westchester Dr., Suite 950 Dallas, Texas 75225 that you are revoking your proxy.

Quorum

In order to act on the proposals described herein, we must have a quorum of stockholders at the Meeting. The holders of a majority of the shares of Common Stock issued and outstanding and entitled to vote at the Meeting is necessary to constitute a quorum. Shares that the Company holds as treasury shares are not voted and do not count for this purpose.

Votes Needed

With respect to the election of directors, the director nominees receiving a plurality of the votes cast at the Meeting will be elected to fill the seats of our Board. This means that the nominees who receive the most votes will be elected. For purposes of the election of directors, the withholding of authority by a stockholder as to the election of directors will have no effect on the results of the election.

Proxies that abstain on one or more proposals and broker non-votes will be deemed present for quorum purposes for all proposals to be voted on at the Meeting. Broker non-votes occur where a broker holding shares in "street name" is entitled to vote the shares on some matters but not others. If your shares are in street name (or held by your broker) and you do not give your broker voting instructions on those matters for which the broker has no discretion, the missing votes are broker non-votes. Brokers are not entitled to vote on any of this year's proposals in the event they do not receive voting instructions

from their clients. Client directed abstentions are not broker non-votes. Stockholders who sign, date and return a proxy but do not indicate how their shares are to be voted are giving management full authority to vote their shares as they deem best for the Company. For these reasons, it is important that all shares are represented at the Meeting, either by you personally attending the Meeting or by giving a proxy to vote your shares.

**PROPOSAL 1
ELECTION OF DIRECTORS**

The Board is presently composed of seven members. The Board has nominated the seven persons listed below for election as directors. If elected at the Meeting, each director would serve until the 2020 annual meeting of stockholders and until his or her successor is elected and has qualified, or until such director's earlier death, resignation or removal.

A director is elected by a plurality of the votes present in person or represented by proxy and entitled to vote on the election of directors. Shares represented by executed proxies will be voted, if the authority to do so is not withheld, for the election of the nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, shares represented by executed proxies will be voted for the election of such substitute nominee as the Board may propose. The persons nominated for election have agreed to serve if elected, and the Company has no reason to believe that any of the nominees will be unable to serve. There are no family relationships among any of the directors, director nominees and executive officers.

The following table sets forth, as of November 4, 2019, the name of the Board's nominees for election as a director. Also set forth below is certain other information with respect to each such person's age, the periods during which he or she has served as a director and positions currently held with the Company.

Director Nominee	Age	Director	
		Since	Positions and Offices Held
Robert H. Alpert	54	2017	Chairman of the Board
Eric Donnelly	45	2017	Chief Executive Officer and Director
James Pérez Foster	49	2018	Director
Farzana Giga	45	2017	Secretary and Director
Claire Gogel	46	2017	Director
Ray Kembel	51	2018	Director
C. Clark Webb	38	2017	Director

Set forth below is biographical information for each director nominee.

Robert H. Alpert has served as a director since October 2017 and as Chairman of the Board since October 2017. He is the co-founder and principal of 210 Capital, LLC and the founder and general partner of RHA, Inc. He is also the Co-CEO and Chairman of the Board of P10 Holdings, Inc., an alternative asset management investment firm. Mr. Alpert is also the Interim Chief Executive Officer and Chairman of the Board of Globalscape, Inc. and on the board of Collaborative Imaging, LLC. Additionally, Mr. Alpert is a director of Elah Holdings, Inc., a company which seeks to generate long term shareholder value through the continuation of its strategy of seeking profitable acquisitions and generate increased free cash flow from the utilization of its tax assets. Prior to founding 210 Capital, Mr. Alpert was the founder and portfolio manager of Atlas Capital Management, L.P., a long-short strategy investment adviser, from October 1995 to September 2015. Mr. Alpert was responsible for the investments and operations of Atlas. Mr. Alpert is also the co-founder of Homebuilder Capital Advisors, LLC, a real estate specialty finance company and a director of Redpoint Insurance Group, LLC, a Texas property and casualty insurance company.

Eric Donnelly has served as a director and as Chief Executive Officer since December 2017. Mr. Donnelly has spent his 20-year career focused on supporting small businesses and developing low to moderate income communities with an emphasis on Hispanic homeownership. He has served as Capital Plus Financial LLC's Chief Executive Officer since 2014 after having been hired by the company's founder in 2012 to scale the 25-year social enterprise. Mr. Donnelly has grown the company into one of the largest Community Development Financial Institutions in the country and under his leadership has achieved its B Corp certification further reinforcing the company's commitment to community impact as well as shareholder value growth. In 2005 after many years in commercial banking, Mr. Donnelly founded a national small balance commercial real estate finance company focused on delivering long term, fixed rate options to small business owners. He is an active Hispanic entrepreneur and leader whose passion it is to improve underserved and underbanked market segments. Mr. Donnelly is a graduate of Southern Methodist University with a Bachelor of Arts in Economics. Mr. Donnelly is on the board of InBankshares, a community bank based in Raton, NM serving the New Mexico and Colorado Front Range markets. He is a participant in the BBVA Momentum program for Social Entrepreneurs, a 2017 graduate of the Stanford Latino Entrepreneur Initiative and a continuing mentor to Latino entrepreneurs participating in the Stanford program.

James Pérez Foster has served as a director since February 2018. Mr. Pérez Foster is a seasoned board member with national banking and Community Development Financial Institution (CDFI) board experience. He is a technology executive and management consultant with more than 25 years of strategic growth, impact investment advisory and community engagement experience. A published expert on U.S. underserved market segments for global financial services and banking institutions, Mr. Pérez Foster is the founder of Bainbridge Advisors, LLC, a consulting and research firm that serves financial institutions and federal agencies. Mr. Pérez Foster also founded Solera National Bancorp, a federally chartered bank holding company that is credited as one of the first Hispanic-markets focused commercial banks in the country. Mr. Pérez Foster has a BA in International Relations from Syracuse University's Maxwell School of Citizenship and Public Affairs.

Farzana Giga has served as a director since December 2017, as Secretary since June 2018 and as Capital Plus Financial LLC's Chief Financial Officer since 2014. Ms. Giga's background includes extensive experience in private equity, financial reporting and analysis, investor reporting and treasury for both private and public companies in Canada and the United States. Prior to Capital Plus, Ms. Giga served as CFO for a private equity firm focused on residential seller financing including acquisitions, mortgage origination and mortgage servicing for a portfolio exceeding \$100M. From 2007 to 2009, she worked as an Investment Manager at Quadrant Capital Partners where she was responsible for loan acquisitions and financial analysis of residential and commercial real estate. Prior to Quadrant, Ms. Giga served as an Assistant Vice President at INYX Canada where she was responsible for all strategic and financial planning, budgeting/forecasting, cash flow analysis, mergers and acquisitions analysis including quarterly and annual SEC filings. Prior to INYX, Ms. Giga served as Director, Treasury at RR Donnelly responsible for managing a debt portfolio of \$2B. Ms. Giga is a Certified Public Accountant, Certified Management Accountant in Ontario, Canada and received her Bachelor of Arts, Economics (Management & Accounting) from the University of Toronto.

Claire Gogel has served as a director since October 2017. Ms. Gogel was an Independent Director and member of the Finance and Restructuring Committee at SunEdison, Inc., and served in that position from 2016 when she was appointed as an independent director by Greenlight Capital. From 2009 to 2014, Ms. Gogel served as a partner and analyst at Greenlight Capital, a hedge fund in New York. From 2001 to 2009, Ms. Gogel was the founder and portfolio manager of Perennial Advisors, a long-short equity hedge fund. Ms. Gogel's professional experience also includes positions as a portfolio manager at Discovery Partners and as a research associate at Cardinal Investment Company. Ms. Gogel is a Board member and member of the Grant Committee for Capital for Kids and has served in that position since

2005. Ms. Gogel earned a Bachelor of Arts degree with High Honors from The University of Texas at Austin.

Ray Kembel has served as a director since February 2018. Mr. Kembel is a tenured finance executive with a broad knowledge of real estate and credit finance. He is currently an Executive Vice President with Oakwood Bank in Texas. Prior to joining Oakwood Bank, Mr. Kembel helped develop the Dallas commercial banking platform for Green Bancorp, Inc. (NASDAQ: GNBC), recently acquired by Veritex Bank (NASDAQ: VBTX). Ray previously spent 10 years with Staubach Capital Partners, a private equity group under The Staubach Company umbrella, acquired by JLL (NYSE: JLL). He began his career with Bank of America (NYSE: BAC). Mr. Kembel holds a BBA degree from The University of Texas at San Antonio and an MBA from The University of Dallas.

C. Clark Webb has served as a director since October 2017. Mr. Webb is Founder and Managing Member of P10 Capital Management, LLC, Co-CEO of P10 Holdings, Inc., and Co-Founder and Principal of 210 Capital, LLC. Previously, Mr. Webb was Co-Portfolio Manager of the Lafayette Street Fund, a multi-billion dollar opportunistic equity strategy, and a Partner at Select Equity Group, L.P. Mr. Webb holds a B.A. from Princeton University. Mr. Webb is currently the Chairman of the Board of Elah Holdings, Inc., the Chairman of the Board of Collaborative Imaging LLC, a director of Globalscape, Inc. and a director of P10 Holdings, Inc.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF THE NAMED NOMINEES.

Stockholder Communications with the Directors

Stockholders wishing to communicate with our Board as a whole or with certain directors, including the Chairman of the Board, individually, may do so by writing the Corporate Secretary at our headquarters at 8214 Westchester Dr., Suite 950 Dallas, Texas 75225. Each stockholder communication should include an indication of the submitting stockholder's status as our stockholder and eligibility to submit such communication. Each such communication will be received for handling by the Corporate Secretary, who will maintain originals of each communication received and provide copies to (i) the Chairman and (ii) any other appropriate director(s) based on the expressed desire of the communicating stockholder and content of the subject communication. The Corporate Secretary also will coordinate with the Chairman to facilitate a response, if it is believed that a response is appropriate or necessary, to each communication received. The Board reserves the right to revise this policy in the event that this process is abused, becomes unworkable or otherwise does not efficiently serve the purpose of the policy.

Security Ownership of Certain Beneficial Owners and Management

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	1,438	*
James Pérez Foster	401	*
Ray Kembel	401	*
Eric Donnelly (3)	532,838	8.9%
Farzana Giga (4)	432,931	7.2%
All directors and executive officers as a group (seven persons)	2,460,294	41.2%

*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) 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.
- (4) 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.

Executive and Director Compensation

The services of Eric Donnelly, our Chief Executive Officer, and Farzana Giga, our Secretary, are provided to the Company pursuant to their employment agreements with CPF, the Company’s wholly owned subsidiary. See “Related Party Transactions.”

The Company's non-employee directors are compensated quarterly in arrears for their service, such compensation consisting of cash or shares of restricted stock, at the election of each director. Each director of the Company is entitled to receive board fees equal to \$15,000 for fiscal 2019. In addition, the Chairman of the Board receives an additional \$900 annual fee.

Related Party Transactions

Since November 1, 2017, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds the lesser of \$120,000 or 1% of our total assets and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers and the transactions described or referred to below.

In December 2017, the Company closed on the acquisition of CPF. As part of the transaction, CPF stockholders received \$30.8 million in cash and an aggregate of 2,955,028 newly issued shares of the Company's stock, representing 49.5% of the Company's outstanding shares after giving effect to the closing. The cash portion of the purchase price is being funded with \$24.2 million of new Company debt plus \$6.6 million of CPF cash on hand. In connection with the transaction, Mr. Donnelly and Ms. Giga were appointed to the Company's Board and Mr. Donnelly was appointed as Chief Executive Officer.

The Company's executive officers, Eric Donnelly and Farzana Giga, are employees of CPF and have existing employment agreements with CPF with annual salaries of \$350,000 and \$300,000, respectively.

STOCKHOLDER PROPOSALS AND OTHER MATTERS

Solicitation of Proxies

The cost of the solicitation of proxies will be paid by us. In addition to solicitation by mail, our directors, officers and employees may solicit proxies from stockholders by telephone, facsimile, electronic mail or in person. We will also make arrangements with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners. Upon request, we will reimburse those brokerage houses and custodians for their reasonable expenses in so doing.

Other Matters

So far as now known, there is no business other than that described above to be presented for action by the stockholders at the Meeting, but it is intended that the proxies will be voted upon any other matters and proposals that may legally come before the Meeting or any adjournment thereof, in accordance with the discretion of the persons named therein.

CROSSROADS SYSTEMS, INC.

Eric Donnelly
Chief Executive Officer

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CROSSROADS SYSTEMS, INC.

**2019 ANNUAL MEETING OF STOCKHOLDERS – DECEMBER 10, 2019
THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned stockholder of Crossroads Systems, Inc., a Delaware corporation (the “Company”), hereby appoints Eric Donnelly and Farzana Giga, each with full power of substitution, as proxies, to vote all capital stock of the Company that the stockholder would be entitled to vote on all matters that may properly come before the Company’s 2019 Annual Meeting of the Stockholders (the “Annual Meeting”) to be held at 12:30 p.m., local time, on Tuesday, December 10, 2019, at 8214 Westchester Dr., Suite 950, Dallas, Texas 75525, and any adjournments or postponements thereof. The undersigned stockholder hereby revokes any proxy or proxies heretofore given by the undersigned for the Annual Meeting.

This proxy when properly executed and returned will be voted in the manner directed by the undersigned stockholder. If no direction is made, this proxy will be voted in accordance with the recommendations of the Board. The proxies are also authorized to vote upon such other matters as may properly come before the Annual Meeting in accordance with their discretion.

(Continued and to be signed on the reverse side)

ANNUAL MEETING OF STOCKHOLDERS OF
CROSSROADS SYSTEMS, INC.

December 10, 2019

GO GREEN

e-Consent makes it easy to go paperless. With e-Consent, you can quickly access your proxy material, statements and other eligible documents online, while reducing costs, clutter and paper waste. Enroll today via www.astfinancial.com to enjoy online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL:

The Notice of Meeting, proxy statement and proxy card are available at www.crossroads.com

Please sign, date and mail
your proxy card in the
envelope provided as soon
as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

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THE BOARD RECOMMENDS A VOTE "FOR" THE ELECTION OF THE LISTED NOMINEES.
PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

1. Election of nominees named below to the Board of Directors of the Company.

FOR ALL NOMINEES

WITHHOLD AUTHORITY
FOR ALL NOMINEES

FOR ALL EXCEPT
(See instructions below)

NOMINEES:

- Robert H. Alpert
- Eric Donnelly
- James Pérez Foster
- Farzana Giga
- Claire Gogel
- Ray Kembel
- C. Clark Webb

This proxy may be revoked prior to the time it is voted by delivering to the Secretary of the Company either a written revocation or a proxy bearing a later date, or by appearing at the Annual Meeting and voting in person.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and fill in the circle next to each nominee you wish to withhold, as shown here: ●

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Stockholder

Date:

Signature of Stockholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.