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CROSSWALK COM
Form PRER14A
August 20, 2002

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SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 2)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule
14a-6(e) (2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Materials Pursuant to 14a-11(c) or Rule 14a-12

Crosswalk.com, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement
if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11:

Based on Rule 0-11 par. C - 1/50th of 1% of anticipated disposition
proceeds

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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(1) Set forth the amount on which the filing fee is calculated and state how it was determined.
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CROSSWALK.COM, INC.
4100 Lafayette Center Dr. Suite 110
Chantilly, Virginia 20151

August 19, 2002

TO OUR STOCKHOLDERS:

You are hereby cordially invited to attend a Special Meeting of Stockholders of Crosswalk.com, Inc. ("Crosswalk" or the "Company") to be held at Conference Room A at the Eastern Loudoun Regional Library located at 21030 Whitfield Place Sterling, Virginia, at 10:30 a.m., local time, on Wednesday, September 18, 2002.

The board of directors of Crosswalk has undertaken extensive activities since early 2002 to evaluate the prospects of Crosswalk's ability to consistently generate cash and increase the value, through reinvestment, of its crosswalk.com Website (the "Website"). The board of directors has determined that the long-term capabilities of the Company to generate the liquidity necessary to increase the fair market value of the Website, would require further dilutive actions. Therefore, in the best interest of the stockholders, and in order to maintain the vision and mission of enhancing the outreach of the Website, your board of directors authorized management to conduct a search for parties interested in acquiring the Internet assets of Crosswalk. Except for the asset purchase agreement that has been entered into with Salem Communications, none of the numerous discussions we held with third parties resulted in any acceptable offers or the execution of any definitive agreements. Your board of directors has also considered our anticipated prospects assuming completion of the asset sale. After due consideration of all other alternatives available to Crosswalk, including the cessation of Crosswalk's business, the board of directors concluded that completion of the asset sale and pursuit of a new business model, which utilizes the proceeds from the asset sale and the remaining assets of the Company to acquire cash producing assets, to be the best alternative reasonably likely to enable us to satisfy our outstanding obligations and to maximize the return of value to our stockholders.

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It then follows that at the Special Meeting, stockholders will be asked to:

1. Consider and vote upon the \$4.1 million cash sale of substantially all of the assets, used, required, useful or otherwise relating to the ownership, development and operations of the crosswalk.com Website, pursuant to the Asset Purchase Agreement, dated as of August 19, 2002, by and among Crosswalk.com, Inc. and OnePlace, LLC, a wholly owned subsidiary of Salem Communications Corporation, in the form of Annex A attached to the proxy statement/prospectus;
2. Consider and vote upon approval of the business plan of AMEN Properties;
3. Consider and vote upon an amendment to the Company's Certificate of Incorporation to change the name of the Company to AMEN Properties;
4. Consider and vote upon other such business as may properly come before the Special Meeting.

Information concerning the foregoing proposals and the Special Meeting are contained in the attached Notice of Special Meeting of Stockholders and Proxy Statement. Your vote is important, as is the vote of every stockholder, and the board of directors of Crosswalk.com, Inc. appreciates the cooperation of stockholders who are unable to attend in person in directing proxies to vote at the meeting. Therefore, it is important that your shares be represented at the meeting in person or, should you be unable to attend the Special Meeting, by your signing and returning the enclosed proxy in the accompanying envelope for receipt prior to the meeting date.

Sincerely,

James G. Buick
Chairman of the Board
Crosswalk.com, Inc.

CROSSWALK.COM, INC.
NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
to be held on Wednesday, September 18, 2002

August 19, 2002

To the Stockholders of Crosswalk.com, Inc.

NOTICE IS HEREBY GIVEN that a Special Meeting of Stockholders of Crosswalk.com, Inc. ("Crosswalk" or the "Company") will be held at Conference Room A at the Eastern Loudoun Regional Library located at 21030 Whitfield Place Sterling, Virginia, at 10:30 a.m., local time, on Wednesday, September 18, 2002 for the following purposes:

1. To consider and vote upon the \$4.1 million cash sale of substantially all of the assets, used, required, useful or otherwise relating to the ownership, development and operations of the crosswalk.com Website, pursuant to the Asset Purchase Agreement, dated as of August 19, 2002, by

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and among Crosswalk.com, Inc. and OnePlace, LLC, a wholly owned subsidiary of Salem Communications Corporation, in the form of Annex A attached to the proxy statement;

2. To consider and vote upon approval of the business plan of AMEN Properties;
3. To consider and vote upon an amendment to the Company's Certificate of Incorporation to change the name of the Company to AMEN Properties;
4. To consider and vote upon other such business as may properly come before the Special Meeting.

Only Crosswalk.com, Inc. stockholders of record as of the close of business on August 5, 2002, are entitled to receive notice of and to vote at the Special Meeting. A list of stockholders entitled to vote at the Special Meeting will be available for examination during normal business hours by any of our stockholders, for a period of ten days prior to the Special Meeting at our principal executive offices at the address set forth above.

Your vote is important, as is the vote of every stockholder, and the board of directors of Crosswalk appreciates the cooperation of stockholders who are unable to attend in person in directing proxies to vote at the meeting. Therefore, it is important that your shares be represented at the meeting in person or, should you be unable to attend the meeting, by your signing and returning the enclosed proxy in the accompanying envelope for receipt prior to the meeting date.

TO ASSURE YOUR REPRESENTATION AT THE SPECIAL MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY AND RETURN IT PROMPTLY.

If you have any questions, please contact Gary Struzik, Chief Financial Officer and Secretary at 703-788-4123.

By order of the Board of Directors,

James G. Buick
Chairman of the Board
Crosswalk.com, Inc.

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SUMMARY TERMS OF PROPOSED TRANSACTIONS

This section of the proxy statement accompanying the relevant proposals describes the material aspects of the asset sale and our business plan going forward. While the board of directors believes that this summary description covers the material terms of the asset sale and business plan, this summary may not contain all of the information that is important to you. You should carefully read this entire proxy statement and the other documents referred to in this proxy statement for a more complete understanding of the matters on which you are being asked to vote. The form of the asset purchase agreement is attached as Annex A to this proxy statement. You are encouraged to read the asset purchase agreement, as it is the legal document that governs the asset sale on which you are being asked to vote. This summary is qualified in its entirety by the asset purchase agreement and the more detailed information appearing elsewhere in this document. This summary includes page references in parentheses to direct you to a more complete description of the topics presented

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in this summary. Unless otherwise indicated, references to Salem include Salem Communications and its subsidiaries, including Oneplace, LLC.

PROPOSAL ONE - ASSET SALE (pages 6-14)

- o The assets being sold are substantially all of Crosswalk's Internet related intellectual property and other technology assets, email lists and newsletters, customer base and trademarks
- o Asset sale price is \$4.1 million
- o Purchaser is Salem
- o Use or proceeds intended to Crosswalk currently intends to use the proceeds of this sale to initiate the business plan, which is the subject of Proposal Two submitted for stockholder approval herein.
- o There is no assurance that Crosswalk can successfully consummate the asset sale, as it is contingent on items including, but not limited to third-party consents, and approval of contract assignments.
- o If the asset sale is not approved, the other proposals are rescinded and the Company may contemplate continued operations after significant reduction in product offerings, or dilutive capital infusion, or Company liquidation.

PROPOSAL TWO - THE BUSINESS PLAN (pages 14-26)

- o The board of directors believes that dissolving the Company or retaining the cash proceeds while managing the small offline advertising presence, does not capitalize on our material remaining assets of the public company foundation, and a net operating tax loss carryforward of over \$29 million.
- o The board of directors has formulated a business plan to acquire assets, which would exploit the net operating tax loss carryforward while producing cash returns for the stockholders.
- o Business plan focuses on value added plays in three distinct arenas that have historically generated large amounts of ordinary income. These three areas are acquiring office space in secondary stagnant markets, out of favor growth markets and investment in oil and gas royalties. This focus is designed to diversify holdings while offering sufficient markets to exploit.
- o FIRST YEAR EFFORTS WILL USE THE EXISTING CASH PROCEEDS FROM THE ASSET SALE TO SERVE AS EQUITY TO LEVERAGE CERTAIN ASSET ACQUISITIONS. Specific asset targets have been identified and the Company has the option but not the obligation to acquire these assets.
- o FIRST YEAR CASH FLOW TARGET USING THESE PROCEEDS WOULD BE APPROXIMATELY \$600,000. CASH FLOW PROJECTIONS REMAIN FLAT FOR THE SECOND YEAR UNTIL SUCH A TIME FURTHER CAPITAL COULD BE ACCESSED TO ACQUIRE ADDITIONAL ASSETS. MANAGEMENT THEN PROJECTS SIGNIFICANT PER SHARE CASH FLOW GROWTH YEARS THREE THROUGH SEVEN.
- o Jon Morgan and Eric Oliver, currently directors and stockholders of Crosswalk and owners in the aggregate of approximately 11% of the stockholder voting power will lead and manage the Company as president and chief operating officer and chairman and chief executive officer, respectively. They are recused from voting on this proposal. In addition, there are four Series "A" preferred stockholders with an aggregate of 2% of

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stockholder voting power, who own a minority interest in the assets subject to the business plan, and will therefore also be recused from voting on this proposal.

- o IF PROPOSAL ONE IS APPROVED AND THE ASSET SALE IS COMPLETED, AND PROPOSAL TWO IS NOT APPROVED, CROSSWALK MAY ELECT TO DISSOLVE THE COMPANY, WHICH WOULD REQUIRE SEPARATE STOCKHOLDER APPROVAL. The board of directors does not believe that this is in the best interest of the stockholders.

PROPOSAL THREE - CHANGING THE COMPANY NAME (page 26)

- o Consistent with the outcome of the impending asset sale and our new business plan going forward, the board of directors believes that changing the name of the Company to AMEN Properties reflects the vision and mission of the Plan and herein requests that the stockholders approve amending our Certificate of Incorporation to change the name of the Company to AMEN Properties.

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PROXY STATEMENT

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Crosswalk.com, Inc.
4100 Lafayette Center Drive Suite 110
Chantilly, Virginia 20151

This proxy is furnished to Crosswalk.com, Inc. ("Crosswalk" or the "Company") Stockholders of record as of the close of business on August 5, 2002 (the "Record Date"), for use at the Special Meeting of Stockholders to be held at Conference Room A at the Eastern Loudoun Regional Library located at 21030 Whitfield Place Sterling, Virginia, on Wednesday, September 18, 2002, at 10:30 a.m., local time, and at any adjournment thereof (the "Special Meeting"). The enclosed proxy is being solicited by the board of directors of Crosswalk and is subject to revocation at any time prior to the voting of the proxy. This proxy, when properly executed, will be voted in the manner directed by you, the stockholder. If no direction is made, this proxy will be voted FOR the proposals, in accordance with the instructions on the proxy card. This Proxy Statement and the enclosed proxy card are being sent to stockholders on or about August 28, 2002. Only Crosswalk.com, Inc. stockholders of record as of the close of business on August 5, 2002 may vote at the Special Meeting.

VOTING PROCEDURES AND REVOCABILITY OF PROXIES

The accompanying proxy card is designed to permit each stockholder of record at the close of business on the Record Date to vote on matters as described in the accompanying Notice of Special Meeting of Stockholders. The proxy card provides space for a stockholder to vote for, against or abstain from voting on all proposals. Votes of attending stockholders will be taken by written ballots. The majority vote of the shares outstanding and eligible to vote is required to take action on Proposal One. In all other matters, the affirmative vote of a majority of the votes present or represented by proxy at the Special Meeting by the holders of the common stock is required to take stockholder action.

The presence at the Special Meeting, in person or by proxy, of the holders of a majority of the votes entitled to be cast by all holders of the common stock will constitute a quorum for the transaction of business at the Special Meeting. If a quorum is not present, in person or by proxy, the Special Meeting may be adjourned until a later time when a quorum is obtained. Abstentions and broker nonvotes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business. With respect to all matters an abstention will have the same effect as a vote against any specified proposal. A broker nonvote will have no effect on the outcome of any vote of the stockholders. Stockholders are urged to sign the accompanying proxy card and return it promptly.

When a signed proxy card is returned with a vote specified, the shares represented will be voted by the proxies designated on the proxy card in accordance with the stockholder's instructions. The proxies for the stockholders are James G. Buick and Scott Fehrenbacher. A stockholder wishing to name another person as his or her proxy may do so by designating another proxy by inserting the name(s) of such other person(s) to act as his or her proxy(ies). In that case, it will be necessary for the stockholder to sign the proxy card and deliver it to the person named as his or her proxy and for the person so named to be present and vote at the Special Meeting. PROXY CARDS SO MARKED SHOULD NOT BE MAILED TO US AT OUR PRINCIPAL EXECUTIVE OFFICES.

If a signed proxy card is returned and the stockholder has made no voting specification, the shares will be voted:

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- o For the \$4.1 million cash sale of substantially all of the assets, used, required, useful or otherwise relating to the ownership, development and operations of the crosswalk.com Website, pursuant to the Asset Purchase Agreement, dated as of August 19, 2002, by and among Crosswalk.com, Inc. and OnePlace, LLC, a wholly owned subsidiary of Salem Communications Corporation, in the form of Annex A attached to the proxy statement/prospectus;
- o For approval of the business plan of AMEN Properties;
- o For an amendment to the Company's Certificate of Incorporation to change the name of the Company to AMEN Properties;
- o At the discretion of the proxies, on any other matter that may properly come before the Special Meeting.

Valid proxies will be voted at the Special Meeting in the manner specified. Any stockholder giving a proxy has the unconditional right to revoke it at any time before it is voted by either:

- o notifying the Secretary of the Company in writing,
- o executing a subsequent proxy or,

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- o personally appearing at the Special Meeting and casting a contrary vote.

However, no revocation will be effective unless we, at or prior to the Special Meeting, have received notice of such revocation.

As of the Record Date, 7,968,221 shares of common stock were issued and outstanding. In addition, 1,333,333 shares of common stock, issuable upon conversion of 80,000 shares of Series "A" preferred stock and 933,269 shares of common stock, issuable upon conversion of 80,000 shares of Series "B" preferred stock are also eligible to cast votes. However, as explained on page 31 herein, a total of 1,342,791 shares will be restricted from voting on Proposal Two due to the interest that several directors and preferred shareholders have in that Proposal. In addition, Crosswalk's President and Chief Executive Officer is in discussions with Salem regarding a possible position of employment and therefore in order to prevent any potential conflict of interest, 10,000 shares are restricted from voting on Proposal One. Without taking this restriction into account, there are 10,234,823 voting shares as of the Record Date.

ADDITIONAL INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act") and are therefore required to file periodic reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission") related to our business, financial statements and other matters. Such reports, proxy statements and other information are available for inspection and copying at the Commission's principal office, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, , , where copies may be obtained upon payment of the fees prescribed by the Commission from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Such documents may also be obtained through the Website maintained by the Commission at <http://www.sec.gov>.

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FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements include, among others, statements regarding Crosswalk's intentions to embark on a new business plan after the closing of the asset sale, the timing, terms of and expected value to stockholders, the Company's reasons for pursuing the new business plan and ability to close on the asset sale, and the potential benefits of both. These forward-looking statements are subject to risks and uncertainties that could cause actual results and events to differ materially. For a detailed discussion of these risks and uncertainties, see the "Risk Factors" section of this proxy statement. These and many other factors could affect the future financial and operating results of the Company. We have identified our forward-looking statements in italics throughout this document.

PROPOSALS

PROPOSAL ONE--Approval of the \$4.1 Million Cash Sale of Substantially All of the Assets, Used, Required, Useful or Otherwise Relating to the Ownership, Development and Operations of the Crosswalk.com Website, Pursuant to the Asset Purchase Agreement, Dated as of August 19,, 2002, by and Among Crosswalk.com and Oneplace, LLC, a Wholly Owned Subsidiary of Salem Communications Corporation, in the Form of Annex A Attached to the Proxy Statement

GENERAL

On a quarterly basis, the Crosswalk board of directors meets to discuss, among other things, the financial performance of the Company and strategies going forward. Because of the economic impact of several factors such as the September 11 tragedy, the overall advertising market recession, compounded by the going concern qualification issued by our auditors in connection with our 2001 Annual Report, we have not been meeting the revenue targets necessary to generate consistent cash positive operations on a monthly basis. IN ORDER TO MAKE PROGRESS TOWARD REDUCING OUR MONTHLY CASH BURN RATE, WE CONTINUE TO REDUCE EXPENSES, WHICH HAD THE EFFECT OF LOWERING THE FAIR MARKET VALUE OF OUR WEBSITE ASSET.

Analysis of the Website's traffic patterns, and the outlook for online advertising sales indicate that this trend of reducing cash burn could only be maintained through further expense reductions, which would seriously impact the effectiveness of the Website. THE BOARD OF DIRECTORS DETERMINED CONTINUING OPERATIONS IN THIS MANNER WOULD

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GENERATE ONLY NOMINAL CASHFLOW FOR THE STOCKHOLDERS OVER THE NEXT FEW YEARS, AND HASTEN THE RISK OF DECLINING FAIR MARKET VALUE OF THE WEBSITE. IN ADDITION, CONSIDERATION OF ENGAGING NEW REVENUE STREAMS, INVOLVES FURTHER CAPITAL INFUSION WHICH WOULD ONLY FURTHER DILUTE THE STOCKHOLDERS.

Therefore, in order for us to be in the best financial position to satisfy our outstanding obligations and maximize the potential for return of value to our stockholders, your board of directors authorized the chief executive officer to explore the market for a potential sale of our Internet properties (the "asset sale"). After discussions with multiple third parties, on May 15, 2002, the

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chief executive officer delivered a formal request for proposal to three parties who indicated interest. The criteria for selection were price, financial resource by which to carry out the vision and mission of Crosswalk.com, and management's support of maintaining the crosswalk brand, and growth initiatives. The only response from deliberations held with these three parties that resulted in a fair and reasonable offer for the execution of a definitive agreement was with Salem. Salem offered the highest price for the asset sale. Thus, on May 24, 2002, Crosswalk entered into a letter of intent with OnePlace, LLC, a wholly owned subsidiary of Salem Communications ("Salem"). Under the terms of the asset purchase agreement, Crosswalk will sell substantially all of its Internet related intellectual property and other technology assets, email lists and newsletters, customer base and trademarks to Salem for \$4,100,000 in cash. There is no assurance that the asset sale will be completed, as it is subject in all respects to the satisfaction of the conditions and covenants specified in the asset purchase agreement. In the event that the stockholders of Crosswalk fail to approve the asset sale, Crosswalk would be subject to a \$125,000 break-up fee. Certain material terms of the asset purchase agreement and features of the asset sale are summarized below. Stockholders should read the asset purchase agreement in its entirety.

Salem's corporate headquarters is located at:
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
(805) 987-0400

Salem Communications Corporation is the leading radio broadcaster focused on religious and family themes programming. The company owns and operates 83 radio stations, including 57 stations in the top 25 markets. In addition to its radio properties, Salem owns the Salem Radio Network, which syndicates talk, news and music programming to over 1,600 affiliated radio stations throughout the United States; Salem Radio Representatives, a national sales force, OnePlace.com, a leading Internet provider of Christian radio content; and CCM Communications, a leading publisher of contemporary Christian music trade and consumer publications. Salem held its initial public offering of common stock on February 13, 1998. Its common stock is traded on the Nasdaq National Market under the symbol "SALM."

ASSET PURCHASE AGREEMENT SUMMARY

The following describes the principal provisions of the asset purchase agreement. The full text of the asset purchase agreement, is attached as Annex A to, and is incorporated by reference into, this proxy statement. You are encouraged to read the asset purchase agreement in its entirety. The asset purchase agreement provides that OnePlace, LLC, a subsidiary of Salem will purchase certain of the assets of Crosswalk.com, including the following assets: all rights, interest in and title to the assets used, required, useful or otherwise relating to the ownership, development and operation of the crosswalk.com Website. This includes all hardware and software necessary to operate the Website. Salem will also acquire all email and customer lists, content and software licenses, all intellectual property, domain names, the Crosswalk trademark and content archives. We are expected to maintain the operations of the Website until transition is complete. Other conditions include, among other things, the assumption of advertising contracts, and third-party consents for continuation of select vendor services.

RETAINED ASSETS PURSUANT TO THE TERMS OF THE ASSET PURCHASE AGREEMENT

In effect, Salem has purchased all of the assets of Crosswalk, which do not support the operations of its offline mail distribution advertising business and administrative functions. In addition, Crosswalk will be retaining certain rights, assets and liabilities in connection with the transaction, its cash and cash equivalents, deposits and accounts receivable and payable obligations under

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all contracts earned or incurred by Crosswalk prior to the closing date, which is expected to be as soon as feasible following the date of the Special Meeting.

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ADJUSTMENT OF \$4.1 MILLION CASH CONSIDERATION

Crosswalk has also entered into a Service Agreement with Salem whereby Crosswalk will remit to Salem payments for the hosting and maintenance of the crosswalk.com Website and email properties, effective September 1, 2002. In addition, if closing of the asset sale ("closing") occurs after September 20, 2002, but before October 21, 2002, the purchase price will be adjusted to \$3,900,000. There are additional gradual downward price adjustments if closing occurs after October 20, 2002. Also, Salem may terminate the purchase agreement at its election and without penalty if closing has not occurred as of November 1, 2002. If closing is delayed past the indicated closing dates as a result of Salem's failure to satisfy its obligations to close on the purchase agreement, the aforescribed dates for purchase price adjustment or termination shall be offset by the same number of days that Salem has delayed closing.

OPINION REGARDING CONSIDERATION FOR ASSET SALE AS EXPRESSED BY EMERGING GROWTH EQUITIES, LTD.

Following the execution of a letter of intent with OnePlace with respect to the proposed asset sale, Crosswalk.com engaged Emerging Growth Equities, Ltd. ("EGE") to evaluate the fairness, from a financial point of view, of the consideration to be received by Crosswalk in connection with the proposed asset sale. At the meeting of the board of directors of Crosswalk on June 27, 2002, EGE delivered an oral presentation and written opinion to the board of directors to the effect that, as of such date, based upon and subject to the assumptions made, matters considered and limitations on its review as set forth in the opinion, the consideration to be received by Crosswalk in the proposed asset sale was fair, from a financial point of view, to Crosswalk. No limitations were imposed by the board of directors upon EGE with respect to the investigations it made or procedures it followed in rendering its opinion.

The full text of EGE's written opinion dated June 27, 2002, which describes the assumptions made, matters considered and limitations on the review undertaken, is attached to this proxy statement as Annex B. The summary of EGE's opinion described below is qualified in its entirety by reference to the full text of the opinion, and you are encouraged to read the opinion carefully in its entirety. EGE's opinion does not in any manner address Crosswalk.com's underlying business decision to enter into the asset purchase agreement, the structure or tax consequences of the proposed asset sale or the availability or advisability of any alternatives to the proposed asset sale. EGE did not structure the proposed asset sale or assist in the negotiation of the asset purchase agreement. EGE's opinion is addressed to the board of directors of crosswalk.com and is limited to the fairness, from a financial point of view, of the consideration to be received by crosswalk.com in connection with the proposed asset sale as provided for in the asset purchase agreement. EGE expresses no opinion with respect to any other reasons, legal, business or otherwise, that may support Crosswalk's decision to approve or consummate the proposed asset sale. EGE's opinion does not constitute a recommendation that crosswalk.com approve and consummate the proposed asset sale, nor does it constitute a recommendation to any stockholder of crosswalk.com as to whether to approve the proposed asset sale.

In connection with EGE's review of the proposed asset sale and the preparation of its opinion, EGE has, among other things:

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- o reviewed and analyzed the financial terms of the proposed asset sale as stated in the asset purchase agreement;
- o reviewed and analyzed historical publicly available business information and financial results of Crosswalk.com, including such information and results contained in Crosswalk.com's Annual Report filed on Form 10-K for the year ended December 31, 2001 and Crosswalk.com's Quarterly Report filed on Form 10-QSB for the quarter ended March 31, 2002;
- o reviewed and analyzed certain other operating and financial information of Crosswalk.com provided by management of Crosswalk.com, including Crosswalk.com's projections as to the future operating and financial performance of the Company for calendar years 2002 through 2003;
- o discussed with senior executives of Crosswalk.com certain information relating to the aforementioned items, including the strategic, financial and operational benefits anticipated from the proposed asset sale and various other matters which EGE deemed relevant to its opinion;
- o reviewed and analyzed historical market prices and trading volumes for Crosswalk.com's common stock;
- o reviewed and analyzed publicly available information regarding selected publicly-traded companies EGE deemed comparable to Crosswalk.com and regarding selected business combinations EGE deemed comparable to the proposed asset sale;

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- o reviewed and analyzed research reports relating to publicly-traded companies EGE deemed comparable to Crosswalk.com;
- o reviewed and analyzed certain other information EGE deemed relevant for purposes of its opinion concerning the online content and online marketing industry; and
- o performed such other analyses and reviewed such other information as EGE deemed appropriate, including trends prevailing in relevant industries and financial markets.

In rendering its opinion, EGE assumed and relied upon the accuracy and completeness of the financial and other information supplied or otherwise made available to it by Crosswalk or any other party, without independent verification, and has further relied upon the assurances of management of Crosswalk that they are not aware of any facts that would make such information inaccurate or misleading. In arriving at its opinion, EGE neither performed nor obtained any evaluation or appraisal of the assets or liabilities of Crosswalk, and EGE did not perform or obtain any evaluation or appraisal of Crosswalk's physical properties and facilities or sales, marketing or service organizations. With respect to the financial projections provided to or otherwise reviewed by or discussed with EGE, EGE assumed that they have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of Crosswalk as to the future operating and financial performance of Crosswalk, and EGE relied upon each party to advise it promptly if any information previously provided became inaccurate or was required to be updated during the period of its review. In addition to EGE's review and analyses of the specific information set forth above, its opinion reflects and gives effect to its assessment of general economic, monetary, market and industry conditions existing and disclosed to EGE as of the date of its opinion as they may affect the business and prospects of Crosswalk.

For purposes of formulating EGE's opinion, Crosswalk agreed that EGE could assume the following:

- o the proposed asset sale would be consummated in all respects in accordance with the terms of the asset purchase agreement, without waiver, modification or amendment of any term, condition or agreement contained

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- therein;
- o in the course of obtaining the necessary regulatory or third party consents and approvals for the proposed asset sale, no limitations, restrictions or conditions would be imposed on Crosswalk or the proposed asset sale; and
 - o the proceeds to Crosswalk from the proposed asset sale would be used to acquire other business assets in order to continue the operation of the Company and would not be distributed to the stockholders of Crosswalk in liquidation of the Company.

Although subsequent developments or material changes in any of the information or circumstances reviewed or considered by EGE may affect its opinion, EGE does not have any obligation to update, revise or reaffirm its opinion to account for any such developments or changes.

Fairness Opinion Analyses - The following is a summary of the analyses performed by EGE in connection with the preparation of its opinion. This summary is not a complete description of EGE's opinion to Crosswalk's board of directors or the financial analyses performed and factors considered by EGE in connection with its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. EGE believes that its analyses and this summary must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses, could create a misleading or incomplete view of the processes underlying EGE's analyses and opinion.

In performing its analyses, EGE considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Crosswalk. No company or business used in the analyses as a comparison is identical to Crosswalk, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or business segments analyzed.

The estimates contained in EGE's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than

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those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, EGE's analyses and estimates are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the proposed asset sale was determined through negotiation between Crosswalk.com and OnePlace, LLC and the decision to enter into the proposed asset sale was solely that of Crosswalk's board of directors. EGE's opinion and financial analyses were only some of many factors considered by Crosswalk's board of directors in its evaluation of the proposed asset sale and should not be viewed as determinative of the views of Crosswalk's board of directors or management with respect to the proposed asset sale as provided for in the asset purchase agreement.

Each of the analyses conducted by EGE was carried out to provide a different perspective on the proposed asset sale. EGE did not form a conclusion as to

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whether any individual analysis, considered in isolation, supported or failed to support an opinion as to the fairness to Crosswalk, from a financial point of view, of the consideration to be received. EGE did not place any specific reliance or weight on any individual analysis, but instead concluded that its analyses, taken as a whole, supported its determination.

In addition to the analyses discussed below and the others performed by EGE in reviewing the proposed asset sale and preparing its opinion, EGE also considered the value of Crosswalk if it were to be liquidated rather than sold as an ongoing business. In the case of Crosswalk, EGE believed that there would be significant expense involved in any effort to liquidate the business. Further, much of Crosswalk's business is based on contractual relationships and goodwill, which would likely have little value in the event of liquidation. Accordingly, under a liquidation scenario, EGE believed that the net value to be realized by Crosswalk would be significantly less than both the book value of Crosswalk and the consideration to be received by Crosswalk in the proposed asset sale. However, EGE did not perform a formal liquidation analysis.

Analysis of Selected Publicly Traded Comparable Companies - EGE reviewed and compared certain financial, operating and stock market information related to Crosswalk and its Website with other publicly held online content providers (the "Comparable Companies"). EGE identified six companies that it deemed comparable to Crosswalk. These companies were deemed by EGE to be comparable to Crosswalk because they each operate, as their core business, Internet community Websites that serve as information hubs to their respective target markets and rely on advertising and sponsorships as their main source of revenue. The Comparable Companies utilized were: iVillage Inc., the Globe.com, Inc., Alloy, Inc., IGN Entertainment, SportsLine.com Inc., and CNET Networks, Inc..

Using publicly available information, EGE analyzed certain financial, trading and valuation statistics for the Comparable Companies. EGE analyzed enterprise values (calculated as equity value, plus debt, less cash) and equity values, in each case as multiples of calendar year 2001 and latest 12 months ("LTM") revenues. This analysis indicated the following multiples:

	Low ---	High ----	Median -----	Crosswalk -----
Enterprise Value as a Multiple of:				
2001 Actual Revenues	0.79x	4.16x	1.90x	0.96x
LTM Revenues	0.88x	2.70x	1.91x	1.19x
Equity Value as a Multiple of:				
2001 Actual Revenues	0.05x	3.25x	1.88x	0.77x
LTM Revenues	0.12x	2.87x	2.10x	1.44x

All of Crosswalk's multiples were determined by EGE to be between the low and median of the Comparable Companies. In its analysis, EGE considered that the lower average valuation of Crosswalk relative to the Comparable Companies may be a result of Crosswalk's significant historical losses, smaller relative size and capitalization and the limited liquidity of its stock as compared to most of the Comparable Companies.

EGE also reviewed the historical stock price and trading volume data for Crosswalk's common stock and compared its historical trading patterns to the trading patterns of certain market indices (Dow Jones Industrial Average and

Nasdaq Composite Index) and of the Comparable Companies. EGE noted that

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Crosswalk's common stock generally performed similarly to the index of Comparable Companies but underperformed the broader market indices.

As noted above, none of the Comparable Companies is identical or directly comparable to Crosswalk. Accordingly, EGE considered the multiples for such Comparable Companies, taken as a whole, to be more relevant than the multiples of any single Comparable Company. Further, an analysis of publicly traded comparable companies is not mathematical; rather, it involves complex consideration and judgments concerning differences in financial and operating characteristics of the Comparable Companies and other factors that could affect the public trading of the Comparable Companies.

Analysis of Selected Merger and Acquisition Transactions by Comparable Companies - Using publicly available information, EGE reviewed and compared the purchase prices (including net debt assumed) and implied transaction value multiples paid in the following four selected merger and acquisition transactions of other publicly held online content providers (the "Comparable Transactions"). The Comparable Transactions were:

Target -----	Acquirer -----
Emusic.com, Inc.	Universal Music Group
Women.com Networks	iVillage Inc.
NBC Internet Inc.	NBC
Promotions.com, Inc.	iVillage Inc.

Based on the information disclosed in each of the Comparable Transactions, EGE calculated and compared (i) enterprise value and (ii) transaction values as multiples of LTM revenues and compared such multiples with those implied by the asset sale. All multiples were based on financial information available at the closing date of the relevant transaction. The analysis indicated the following multiples:

	Low ---	High ----	Average -----	Crosswalk -----
Transaction Value as a Multiple:				
LTM Revenues	0.5x	1.4x	0.9x	1.30x
Enterprise Value as a Multiple of:				
LTM Revenues	0.0x	1.0x	0.5x	1.43x

Based on the foregoing analyses, the transaction value and equity value multiples for the proposed asset sale are within or exceed the range of multiples for the Comparable Transactions.

EGE also reviewed the revenue projections prepared by Crosswalk.com's management with respect to its Internet/Website business for the years ended 2002 and 2003 and compared them to the transaction value of the proposed asset sale. The implied transaction multiples are 1.56x estimated 2002 Internet/Website revenue and 1.76x estimated 2003 Internet/Website revenue, which are higher than the current multiples paid for the Comparable Transactions.

Premium Paid Analysis - EGE reviewed current and historical market prices and trading data concerning Crosswalk's common stock for specified periods prior to the announcement of the proposed asset sale on June 3, 2002. EGE utilized the Premium Paid Analysis, a market valuation approach, for the purposes of comparing the consideration to be paid in the proposed asset sale to the average closing price of Crosswalk's common stock over varying time periods prior to June 3, 2002. However, in conducting this analysis EGE considered that the proposed asset sale only involves the sale of the Crosswalk Website and not the

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entire Company.

	Implied Premium -----
As of June 3, 2002	-27.1%
One Day Prior	-14.2%
Average 5 Days Prior	-25.0%
Average 10 Days Prior	-23.2%
Average 20 Days Prior	-27.6%

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Average 30 Days Prior	-29.0%
Average 60 Days Prior	-32.2%
Average Six Months Prior	-39.6%
Average One-Year Prior	-42.0%

Based on the analysis performed above, EGE informed Crosswalk's board of directors that, on June 3, 2002, Crosswalk's common stock closed at \$0.70 per share, which is greater than the implied transaction price per share of approximately \$0.51, and that the consideration to be paid is at a discount to the stock price over all periods considered.

Miscellaneous - Crosswalk selected EGE as its financial advisor in connection with the proposed asset sale based on EGE's reputation, expertise and familiarity with Crosswalk and its business. EGE is an investment banking firm and, as part of its investment banking business, is regularly engaged in the valuation of businesses and their securities in connection with tender offers, mergers and acquisitions, negotiated underwriting, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. In the ordinary course of EGE's brokerage business, EGE or its affiliates may have long or short positions, for its own account or for those of its clients, in the securities of Crosswalk.com and Salem.

Pursuant to an engagement letter dated June 13, 2002, EGE provided its opinion in connection with the proposed asset sale. The engagement letter provides for the payment to EGE of a fee for its opinion in the amount of \$87,500, which fee is payable upon delivery of the opinion. Crosswalk has also agreed to reimburse EGE for its expenses, including reasonable fees and disbursements of EGE's counsel, incurred in performing its services for an amount not in excess of \$5,000. In addition, Crosswalk has agreed to indemnify EGE and its affiliates, directors, officers, agents and employees and each person, if any, controlling EGE or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of EGE's engagements and any related transactions.

AGREEMENT NOT TO COMPETE

Crosswalk has agreed that, for a period of two years following the closing, we will not own or operate any business, which directly or indirectly, competes with Salem. Crosswalk has also agreed for such two-year period not to solicit, encourage or take any other action that is intended to induce or encourage a Salem employee to terminate his or her employment.

EXPECTED TIMING OF THE TRANSACTION

The parties expect that the asset sale will close as soon as possible after the

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necessary stockholder approval has been obtained. Conditions to closing are predicated on the satisfaction or waiver of a number of conditions, including, but limited to the following:

- o Salem's complete review and approval of assumed contracts
- o Operation of the assets being sold in a manner consistent with past practices in the ordinary course, including, without limitation, the continued effort to generate revenue from the assets being sold, consistent with historical practice.
- o Receipt by Salem of estoppel certificates or other verifications from material advertisers, customers and third-party vendors
- o Receipt by Salem of all required approvals and third-party consents, including those of customers and advertiser/sponsors
- o Receipt by Salem of the assignment of all advertising and sponsorships contracts in place with Crosswalk effective May 21, 2002 through the date of closing

EXPENSES

The asset purchase agreement generally provides that Crosswalk and Salem will pay their own respective costs and expenses incurred in connection with the asset purchase agreement and the transactions contemplated by the asset purchase agreement.

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In order to ensure the dedication and continued efforts of Crosswalk's employees through the critical transition period up to the closing of the asset sale, the board of directors approved an aggregate of approximately \$330,000 in severance pay to certain designated employees, including the executive officers, for continuing to provide their services to Crosswalk through the transition period and potentially thereafter, and to assist us in fulfilling all conditions to the closing of the asset sale.

RISK FACTORS

IF OUR AGREEMENT TO SELL THE INTERNET ASSETS OF CROSSWALK.COM TO SALEM COMMUNICATIONS IS NOT COMPLETED WE MAY INCUR ADDITIONAL COSTS

The \$4.1 million cash sale is subject to a number of conditions as indicated in the section herein entitled "Expected Timing of the Transaction." If terms conducive to Crosswalk's stockholders cannot be reached, or if stockholder approval is not granted, or if completion of the listed items is not carried out, the sale of the assets consistent with the asset purchase agreement may not materialize. If this occurs, we may incur over \$150,000 of nonrecoverable costs as a result of pursuing the asset sale, not including a \$125,000 breakup fee.

In addition, if closing of the asset sale occurs after September 20, 2002, but before October 21, 2002, the purchase price will be adjusted to \$3,900,000. There are additional gradual downward price adjustments if closing occurs after October 20, 2002. Also, Salem may terminate the purchase agreement at its election and without penalty if closing has not occurred as of November 1, 2002. If closing is delayed past the indicated closing dates as a result of Salem's failure to satisfy its obligations to close on the purchase agreement, the afordescribed dates for purchase price adjustment or termination shall be offset by the same number of days that Salem has delayed closing.

IF THE ASSET SALE IS NOT COMPLETED, WE MAY NOT HAVE THE WORKING CAPITAL SUFFICIENT TO MEET OUR ANTICIPATED WORKING CAPITAL, LEASE COMMITMENTS AND

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CAPITAL EXPENDITURE REQUIREMENTS BEYOND DECEMBER OF 2002

If the asset sale is not completed, with sales at current levels, we believe that it is unlikely that we will be able to pay, or provide for the payment of, all anticipated liabilities and obligations without either drastically cutting the services and content on crosswalk.com or arranging for further dilutive financing, which may not be available to the Company. If the asset sale is not completed, it is also not likely that we would be able to sell our assets to another buyer on terms as favorable as those provided in the asset purchase agreement, or perhaps not at all. In this scenario, without adequate cost reduction or additional capital infusion, Crosswalk could be forced to resort to business liquidation.

VOTING RESTRICTION

Scott Fehrenbacher, Crosswalk's President and Chief Executive Officer is in discussions with Salem regarding a possible position of employment and therefore in order to prevent any potential conflict of interest, 10,000 shares beneficially owned by Mr. Fehrenbacher are restricted from voting on Proposal One.

REGULATORY MATTERS, APPRAISAL RIGHTS, AND MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

We are not aware of any regulatory or governmental approvals required to complete the asset sale. In addition, under Delaware law, our stockholders do not have appraisal rights as a result of the asset sale.

IT IS EXPECTED THAT THE ASSET SALE WILL BE A TAXABLE TRANSACTION TO CROSSWALK. AS A RESULT, CROSSWALK WILL RECOGNIZE A GAIN OR LOSS ON THE SALE OF ITS ASSETS TO SALEM IN AN AMOUNT EQUAL TO THE \$4.1 MILLION PURCHASE PRICE, LESS THE ADJUSTED TAX BASIS IN THE ASSETS SOLD TO SALEM. WE ANTICIPATE THAT ANY GAIN TO CROSSWALK WILL BE OFFSET TO THE EXTENT OF AVAILABLE NET OPERATING LOSSES, SUBJECT TO APPLICABLE LIMITATIONS, IF ANY.

WHAT HAPPENS IF PROPOSAL ONE IS NOT APPROVED OR COMPLETED

IF THE ASSET SALE IS NOT APPROVED OR COMPLETED PURSUANT TO APPROVAL, CURRENT SALES LEVELS WOULD DICTATE THAT IT WOULD BE UNLIKELY THAT WE WOULD BE ABLE TO PAY, OR PROVIDE FOR THE PAYMENT OF, ALL ANTICIPATED LIABILITIES AND OBLIGATIONS OVER THE NEXT SIX MONTHS, WITHOUT EITHER DRASTICALLY CUTTING THE SERVICES AND CONTENT ON CROSSWALK.COM OR ARRANGING FOR FURTHER DILUTIVE FINANCING, WHICH MAY NOT BE AVAILABLE TO THE COMPANY. IF THE ASSET SALE IS NOT APPROVED OR

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COMPLETED, IT IS ALSO NOT LIKELY THAT WE WOULD BE ABLE TO SELL OUR ASSETS TO ANOTHER BUYER ON TERMS AS FAVORABLE AS THOSE PROVIDED IN THE ASSET PURCHASE AGREEMENT, OR PERHAPS NOT AT ALL. IN THIS SCENARIO, WITHOUT ADEQUATE COST REDUCTION OR ADDITIONAL CAPITAL INFUSION, CROSSWALK COULD BE FORCED TO RESORT TO BUSINESS LIQUIDATION. In addition, because the proceeds related to the asset sale are required in order to pursue the business plan as described in Proposal Two, the approval of Proposal Two necessitates approval of Proposal One and the completion of the asset sale.

VOTE REQUIRED

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The majority vote of the shares outstanding and eligible to vote is required to take action on Proposal One.

THE CROSSWALK BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE PROPOSED \$4.1 MILLION CASH SALE OF SUBSTANTIALLY ALL OF THE ASSETS, USED, REQUIRED, USEFUL OR OTHERWISE RELATING TO THE OWNERSHIP, DEVELOPMENT AND OPERATIONS OF THE CROSSWALK.COM WEBSITE, PURSUANT TO THE ASSET PURCHASE AGREEMENT, DATED AS OF AUGUST 19, 2002, BY AND AMONG CROSSWALK.COM AND ONEPLACE, LLC, A WHOLLY OWNED SUBSIDIARY OF SALEM COMMUNICATIONS CORPORATION, IN THE FORM OF ANNEX A ATTACHED TO THE PROXY STATEMENT

PROPOSAL TWO--Approval of the Business Plan of AMEN Properties

BACKGROUND

In contemplating the strategy of an asset sale as indicated in Proposal One, the board of directors assessed business alternatives, including the use of proceeds, should an asset sale be viable. Those alternatives consisted of:

- o Maintaining status quo and continue the advertising business of Crosswalk.com
- o Pursue an asset sale and utilize proceeds to liquidate the Company
- o Pursue an asset sale and utilize proceeds to purchase cash producing assets, which could generate higher returns for the common stockholder than may be available under a dissolution scenario. Maintain or eventually sell the offline advertising business.

As noted in the general discussion on Proposal One, the board of directors deemed an asset sale to be in the best interest of the stockholders. The combination of low and unstable growth in revenue with maximized variable cost reduction in the financial outlooks of the ongoing operations of Crosswalk meant that the only means of producing material cash was to further reduce the content and services on the Website. This would significantly reduce the fair market value of the Website. Further capital infusion necessary to eliminate this risk would further dilute the stockholders. Therefore, the board of directors authorized the asset sale.

If the proceeds of the \$4.1 million asset sale were utilized to liquidate the Company, after payment of the preferred stockholders (\$3.0 million including dividend payments of \$200 thousand), offering costs of about \$234 thousand and balance sheet liquidation of about \$300 thousand, with cash and investments of around \$600 thousand, common stockholders would be left with approximately \$1.2 million or \$0.15 per share. The board of directors does not believe that this is in the best interest of the stockholders. Dissolution does not capitalize on our material remaining assets of the public company foundation, and a net operating tax loss carryforward (NOL) of over \$29 million. Therefore, the board of directors has formulated a business plan to acquire assets, which would exploit the NOL while seeking increased value for the stockholders. The business plan (the "Plan") as explained below, is that which is brought to you for vote under this Proposal Two. The board of directors, with respect to the asset sale and the vision to carryout the Plan, guided by biblical principles of ethics and integrity, seeks to rename the company to AMEN Properties. This is the subject of attention for your consideration in Proposal Three.

Because the proceeds related to the asset sale are required in order to pursue the Plan as herein described, the approval of Proposal Two necessitates approval of Proposal One and the completion of the asset sale.

THE PLAN

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Executive Summary - Our Plan for future business operations is to acquire assets, which will increase the Company's equity while yielding significant ordinary income in an effort to fully utilize our NOL position. We intend to focus on value added plays in three distinct arenas that have historically generated large amounts of ordinary income. These three areas are:

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1. Office Buildings in Secondary Stagnant Markets
2. Office Buildings in Out of Favor Growth Markets
3. Oil and Gas Royalties

This focus is designed to diversify holdings while offering sufficient markets to exploit.

Jon Morgan and Eric Oliver, currently directors and stockholders of Crosswalk and owners in the aggregate of approximately 11% of the stockholder voting power will lead and manage the renamed Company as president and chief operating officer (COO) and chairman and chief executive officer (CEO), respectively (the "management".) Initially, management will not be compensated beyond incentive bonuses or stock options whose value will be tied to growth in the Company's equity. Mr. Morgan and Mr. Oliver are presently and have been extensively involved with real estate, specifically multi-tenant office, and oil and gas royalty acquisition. Their experience suggests significant assets can be acquired and managed in such a way to grow the Company while maximizing stockholder value.

FIRST YEAR EFFORTS WILL USE THE EXISTING CASH PROCEEDS FROM THE COMPANY ASSET SALE TO SERVE AS EQUITY TO LEVERAGE CERTAIN ASSET ACQUISITIONS. SPECIFIC ASSET TARGETS HAVE BEEN IDENTIFIED AND THE COMPANY HAS THE OPTION BUT NOT THE OBLIGATION TO ACQUIRE THESE ASSETS. FIRST YEAR CASH FLOW TARGET USING THESE PROCEEDS WOULD BE APPROXIMATELY \$600,000. CASH FLOW PROJECTIONS REMAIN FLAT FOR THE SECOND YEAR UNTIL SUCH A TIME FURTHER CAPITAL COULD BE ACCESSED TO ACQUIRE ADDITIONAL ASSETS. MANAGEMENT THEN PROJECTS SIGNIFICANT PER SHARE CASH FLOW GROWTH IN YEARS THREE THROUGH SEVEN.

Objectives - The Company has the following near term objectives:

1. Secure target assets as soon as practical following the close of the asset sale
2. Facilitate smooth transition to the new business model
3. Commence process to search for additional profiled asset acquisitions

Mission - The Company intends to grow and actively manage a revenue-generating asset portfolio while not compromising its integrity and founding Christian values.

Keys to Success - Our keys to success include:

- o Prayer and God's Favor first and foremost
- o Shareholder approval for both asset sale and new business model
- o Accessing capital with limited equity and change of ownership limitations
- o Experienced Leadership with market expertise (in place)
- o Proactive and service focused property and tenant management
- o Maintain Low Overhead

Market Analysis and Competition

Out of Favor Growth Market Acquisition - The market for acquiring multi-tenant office complexes in primary growth markets is highly competitive and is dominated by large capitalized real estate investment trusts along with local

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and regional seasoned private investors. In these markets, our competitive advantage will be through the value we can add by having our employees manage and lease the building while being proactive on operating expenses by implementing energy, janitorial, elevator, and other systems' contracts audits. Though these acquisitions will become more competitive, they contribute a significant equity appreciation component. Typical markets meeting these criteria are Austin, Houston, Dallas, San Francisco, Phoenix, Los Angeles, San Diego, and Honolulu.

Secondary Stagnant Market Acquisition - The market for acquiring multi-tenant office properties in secondary stagnant markets is controlled mainly by local or regional investors who operate for sustained profitability versus a timed exit strategy. These markets tend to yield greater return on capital while not delivering as impressively on appreciation potential. In addition to the hands-on operational audits described above, our competitive advantage will be our ability to add value by structuring anchor or major tenant leases to possibly share in building ownership through equity participation. Our intent is to only focus on the premier properties within these secondary stagnant

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markets. A few examples of these markets would include Midland, Lubbock, Amarillo, Oklahoma City, Albuquerque, Tucson, Fresno, Colorado Springs, Shreveport, Birmingham, and Jackson.

Oil and Gas Royalty Acquisition - Oil and gas royalty properties are revenue generating interests in oil and gas leases which do not bear any of the costs of producing oil or gas, and do not bear all of the risks associated with the ownership and operation of other oil and gas interests. The market for oil and gas royalty is highly competitive and dominated by mainly wealthy individuals and small focused royalty companies. Many middle to large sized oil and gas independents are also markets for individual oil and gas royalty properties. This market is becoming increasingly efficient with a variety of auction types along with direct solicitation. Our competitive advantage hinges on our thorough knowledge of virtually the entire United States as far as specific reservoir characteristics and risk factors. This knowledge will allow us to add value through focusing on properties, which have under developed reserves or other risk mitigating conditions.

There is no set or intended distribution of assets among these acquisition target areas. Rather, management will pursue opportunities in either group based on favorable market evaluations and availability. If Proposal Two is approved assets identified for future purchase will not be subject to stockholder approval.

Strategy and Implementation - We intend to initially execute an option to acquire all or part of two secondary office market properties in Midland and Lubbock, Texas. In lieu of this intended purchase, the Company may acquire a controlling interest of over 50% ownership of TCTB. These buildings are presently owned by TCTB Partners, Ltd. (TCTB) of Midland, Texas of which preferred shareholders and directors Eric Oliver and Jon Morgan are minority partners. Jon Morgan is the President of TCTB Company, Inc., the general partner controlling TCTB Partners, Ltd. These buildings combined have a projected net operating income of \$1.69 million annually, which excludes interest, depreciation, and amortized capital outlays. The twenty-four story Midland property of which construction was completed in 1977, encompasses 329,178 rentable square feet and is currently 80% occupied. It also includes a 17-lane drive through bank and a 900 space-parking garage. The average lease term is 4 years and the major tenant is Bank of America. The Lubbock property was built in 1966 and is a fifteen story high rise with 210,659 rentable square feet, a 214

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space-parking garage, and is currently 85% occupied. Wells Fargo Bank is the primary tenant and the average tenant lease term is 7 years.

The negotiated price for these assets will be supported through the financial statements for these properties for the years ended December 31, 2000 and 2001, audited by the CPA firm of Johnson Miller & Co. of Midland, TX, and current market appraisals dated May 14, 2002 completed by unaffiliated Real Estate Research Corporation (RERC) of Houston, TX, and may include a profit to TCTB. RERC was hired by Wells Fargo RETECHS from Houston, TX to independently appraise both buildings as required pursuant to recent refinancing. These appraisals were self-contained reports that complied with the reporting requirements set forth in Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice.

The option would be for Amen Properties to purchase these assets for an anticipated aggregate of about \$13,800,000, which would be financed from \$3,000,000 in cash, the assumption of a \$6.8 million non-recourse note in favor of Wells Fargo Bank and subordinated note to TCTB in the amount of \$4,000,000 bearing a 6% interest rate.

Payments of the TCTB note will be made from (NOL) savings, but will be deferred until the third year of operation and could also be paid out of surplus cash only if available. The calculation for the NOL savings would assume a 34% federal income tax rate. The Wells Fargo Bank note balloons in June 2009 and has a fixed rate of interest of 7.23 % and a 20-year amortization. Implementation is contingent on bank approval of the assignment of this note, which management anticipates will not be unduly withheld.

SUBSEQUENT TO THIS ACQUISITION AND WITHIN THE CONSTRAINTS OF AVAILABLE EQUITY, THE COMPANY WILL SEEK TO ACQUIRE ADDITIONAL AND SIMILAR ASSETS WITHIN ITS TARGET RANGE. PROJECTIONS INCLUDE ADDING ACQUISITIONS AGGREGATING AS MUCH AS \$70,000,000 IN YEARS TWO THROUGH FIVE. IN YEARS TWO AND THREE, THESE ACQUISITIONS WILL HINGE UPON THE COMPANY'S ABILITY TO ACCESS THE NECESSARY CAPITAL THROUGH CONVENTIONAL OR UNCONVENTIONAL DEBT STRUCTURES. IN YEARS FOUR AND FORWARD, THE COMPANY MAY ACCESS CAPITAL FOR ACQUISITION GROWTH THROUGH MORE CONVENTIONAL EQUITY OFFERINGS IF NECESSARY. THE PROCESS OF FINDING ADDITIONAL TARGET ASSETS WILL BEGIN IMMEDIATELY AND WILL BE ENHANCED BY THE PROPOSED ADDITION OF SEVERAL ADVISORY BOARD MEMBERS ACTIVE IN THE REAL ESTATE AND OIL AND GAS INDUSTRIES. If Proposal Two is approved, assets identified for future purchase will not be subject to stockholder approval.

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Management and Personnel - The Company will be located in Midland at 303 W. Wall Street, Suite 1700, Midland, Texas 79701. We anticipate a full time staff of five individuals including management. In addition, each individual property will employ adequate staffing levels.

Management would consist of Eric Oliver acting as Chairman/CEO and Jon Morgan as President/COO. Compensation for both Mr. Oliver and Mr. Morgan will be totally incentive based and tied to stock price performance. Both Mr. Morgan and Mr. Oliver will continue to pursue an active role with other investment companies which they have present ongoing involvement, and possibly with other companies with which they currently have no involvement. Neither has entered into any agreement or undertaken any obligations to present to the Company any real estate or oil and gas royalty acquisition opportunities.

Eric L. Oliver is President of Softsearch Investment, L.P. a hedge fund that specializes in convertible arbitrage. He graduated from Abilene Christian University with a BA/Chemistry in 1981. From 1981 to 1986 Mr. Oliver worked for

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E-Z Serve, Inc. where he ultimately was Vice President of Futures Trading. From 1987 till 1990 Mr. Oliver was Vice President of Derivative Products for Bridge Information Systems. From 1991 till the present Mr. Oliver has managed money independently. In addition to convertible arbitrage, Mr. Oliver has investment experience in other assets including venture capital, secondary bank notes, real estate, and oil and gas properties. He presently serves on several boards, both "for profit" and non-profit organizations.

Jon M. Morgan is President of Anthem Oil and Gas, Inc. and J. M. Mineral and Land Company, Inc., both oil and gas investment firms based in Midland, Texas. He graduated from University of Texas with a B.B.A./Petroleum Land Management degree in 1981 and worked for Texaco, Inc. through 1983. In January 1984, Mr. Morgan became an independent oil and gas producer specializing in the acquisition of oil and gas royalties. Mr. Morgan has been involved in acquiring thousands of royalty interests nationwide since that time. He has principally founded and been actively involved in over a dozen companies involved in real estate, oil and gas, minor league sports, geophysical services, financial services, data management, power procurement and the Internet. He presently serves on several privately held corporate and non-profit boards

Business Plan Risk Factors

ADVERSE MARKET CONDITIONS AND COMPETITION MAY IMPEDE OUR ABILITY TO GENERATE SUFFICIENT INCOME TO PAY EXPENSES AND MAINTAIN PROPERTIES:

The economic performance and value of our targeted properties are subject to all of the risks associated with owning and operating real estate, including:

- o changes in the national, regional and local economic climate
- o the attractiveness of our properties to tenants
- o the ability of tenants to pay rent
- o competition from other available properties
- o changes in market rental rates
- o the need to periodically pay for costs to repair, renovate and re-let space
- o changes in operating costs, including costs for maintenance, insurance and real estate taxes
- o changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

FAILURE BY ANY TENANTS WITH LEASES IN MULTIPLE LOCATIONS TO MAKE RENTAL PAYMENTS TO US, BECAUSE OF A DETERIORATION OF ITS FINANCIAL CONDITION OR OTHERWISE, COULD SERIOUSLY HARM OUR FINANCIAL PERFORMANCE:

Our performance will depend on our ability to collect rent from tenants. At any time, our tenants may experience a change in business conditions or a downturn in their business that may significantly weaken their financial condition. As a result, our tenants may delay a number of lease commencements, decline to extend or renew a number of leases upon expiration, fail to make rental payments when due under a number of leases, close a number of offices or declare bankruptcy. Any of these actions could result in the termination of the tenant's leases and the loss of rental income.

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WE FACE CONSIDERABLE COMPETITION IN THE LEASING MARKET AND MAY BE UNABLE TO RENEW LEASES OR RE-LET SPACE AS LEASES EXPIRE:

We would compete with a number of other companies in providing leases to prospective tenants and in re-letting space to current tenants upon expiration of their respective leases. If our tenants decide not to renew or extend their leases upon expiration, we may not be able to re-let the space. Even if the

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tenants do renew or we can re-let the space, the terms of renewal or re-letting, including the cost of required renovations, may be less favorable than current lease terms or than expectations for the space. WE MAY BE UNABLE TO PROMPTLY RENEW THE LEASES OR RE-LET THIS SPACE, OR THE RENTAL RATES UPON RENEWAL OR RE-LETTING MAY BE SIGNIFICANTLY LOWER THAN EXPECTED RATES.

FUTURE ACQUISITIONS OF PROPERTIES MAY NOT YIELD THE RETURNS WE EXPECT, MAY RESULT IN DISRUPTIONS TO OUR BUSINESS AND MAY STRAIN MANAGEMENT RESOURCES:

WE INTEND TO GROW THE BUSINESS THROUGH SELECT ACQUISITION OF CASH GENERATING ASSETS. Newly acquired properties may fail to perform as expected. Our management may underestimate the costs necessary to bring acquired properties up to standards established for their intended market position. In addition, we may not achieve expected cost savings and planned operating efficiencies. Acquired properties may not perform as well as we anticipate due to various factors, including changes in macro-economic conditions and the demand for office space or oil and gas royalties. As the Company grows, we may have to invest further in overhead to assimilate and manage a portfolio of potentially unrelated properties.

ACQUISITION OF PROPERTIES IS SUBJECT TO A NUMBER OF RISKS, INCLUDING CONSTRUCTION DELAYS, COST OVERRUNS, FINANCING RISKS, FAILURE TO MEET EXPECTED OCCUPANCY AND RENT LEVELS, DELAYS IN AND THE INABILITY TO GENERATE FINANCING:

We may face significant competition for acquisitions of properties, which may increase the costs of acquisitions. We may compete for acquisitions of, and investments in, properties with an indeterminate number of investors, including investors with access to significant capital such as domestic and foreign corporations and financial institutions, publicly traded and privately held REITs, private institutional investment funds, investment banking firms, life insurance companies and pension funds. This competition may increase prices for the types of properties in which we invest. In addition, the cost and availability of capital necessary to increase our asset base and revenue generating capability is difficult to predict and in and of itself may be a barrier to pursuing future acquisitions.

ASSET INVESTMENTS OF THE LIKE INTRODUCED IN OUR PLAN ARE ILLIQUID, AND THEREFORE WE MAY NOT BE ABLE TO DISPOSE OF PROPERTIES WHEN APPROPRIATE OR ON FAVORABLE TERMS:

Real estate property investments and oil and gas royalties generally cannot be disposed of quickly. Therefore, we may not be able to vary our mix of assets or achieve potentially required liquidity in response to economic or other conditions promptly or on favorable terms.

SOME POTENTIAL LOSSES MAY NOT BE COVERED BY INSURANCE, SO WE COULD LOSE OUR ENTIRE INVESTMENT IN A PROPERTY:

The operating expenses in our business plan include the cost of comprehensive liability, fire, extended coverage, and rental loss on our properties. Though we plan to assure to the best of our ability that policy specifications and insured limits of these policies are adequate and appropriate, there may be however, certain types of losses, including lease and other contract claims, acts of war, acts of terror and acts of God that generally may not be insured. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property. If that happened, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property. Though we plan to maintain insurance policies with carriers with sufficient assets and capital to cover all insured perils, there may be however, failures or receiverships of carriers providing

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insurance to the Company. If this occurs, the Company could be essentially without coverage for perils and losses.

WE MAY HAVE SUBSTANTIAL SCHEDULED DEBT PAYMENTS AND MAY NOT BE ABLE TO GENERATE CASH SUFFICIENT TO MEET THIS SCHEDULE AND MAY NOT BE ABLE TO REFINANCE DEBT AT MATURITY:

The Plan is subject to risks normally associated with debt financing. The timing and amount of cash flows could be insufficient to meet required payments of principal and interest. We may not be able to refinance acquired debt,

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which in virtually all cases requires substantial principal payments at maturity, and, even if we can, refinancing might not be available on favorable terms. If principal payments due at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, including new equity capital, cash flow may not be sufficient in all years to repay all maturing debt. Prevailing interest rates or other factors at the time of refinancing, including the possible reluctance of lenders to make commercial real estate loans, may result in higher interest rates and increased interest expenses.

WE MAY SUFFER ENVIRONMENTAL LIABILITIES, WHICH COULD RESULT IN SUBSTANTIAL COSTS:

Under various environmental laws, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances, including asbestos-containing materials that are located on or under the property. Specific asbestos remediation has taken place in both the optioned buildings described herein and remediation is not complete in the Lubbock property. Environmental laws often impose liability whether the owner or operator knew of, or was responsible for, the presence of those substances. In connection with our ownership and operation of properties, we may be liable for these costs, which could be substantial. Also, our ability to arrange for financing secured by that real property might be adversely affected because of the presence of hazardous or toxic substances or the failure to properly remediate any contamination. In addition, we may be subject to claims by third parties based on damages and costs resulting from environmental contamination at or emanating from our properties.

NON-COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA) COULD RESULT IN FINES:

Under the ADA, all public accommodations are required to meet certain federal requirements related to physical access and use by disabled persons. While we believe our optioned properties comply in all material respects with these physical requirements or would be eligible for applicable exemptions from material requirements because of adaptive assistance provided, a determination that we are not in compliance with the ADA could result in the imposition of fines or an award of damages to private litigants. If we were required to make modifications to comply with the ADA, our ability to meet financial projections could be adversely affected.

WE MAY BE SUBJECT TO CHANGES IN OWNERSHIP, WHICH MAY IMPEDE THE VALUE OF OUR NOL:

In the section below entitled "NOL Independent Assessment," we describe the parameters and limitations of utilization of the NOL as it relates to a change in ownership among five-percent owners exceeding 50%, and the business continuity test. If we are unable to meet these IRS standards, utilization of

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the NOL could be limited or reduced to zero.

VOLATILITY OF OIL AND GAS PRICES COULD IMPACT EXPECTED REVENUE

Anticipated results from oil and gas royalties may be substantially dependent on prices of oil and gas. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of, and demand for, oil and gas, market uncertainty and a variety of additional factors beyond our control. These factors include weather conditions, the economy, actions of the Organization of Petroleum Exporting Countries, government regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternate fuel sources. Any substantial extended decline in the price of oil and gas could have an adverse impact on our revenue generating capability.

UNCERTAINTY OF ESTIMATED OIL AND GAS DISCOVERY MAY AFFECT FUTURE CASH FLOWS:

Estimates of economically recoverable oil and gas reserves are based upon a number of variable factors and assumptions, which are speculative and not under our control. Actual production and reserve data used to value future acquisitions will be estimates only and will be subject to uncertainties. Actual quantities of oil and natural gas may differ considerably from amounts actually recovered and thus future cash flows could be impaired or accelerated beyond management's expectations.

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REGULATION OF NATURAL GAS MAY INCREASE THE CARRYING COST OF OIL AND GAS PROPERTIES

The production, transportation and sale of natural gas from underlying properties are subject to federal and state governmental regulation, including regulation and tariffs charged by pipelines, taxes, the prevention of waste, the conservation of gas, pollution controls and various other matters. The United States has governmental power to impose measures that could increase the cost of oil and gas properties. The Federal Energy Regulatory Commission (FERC) has jurisdiction with respect to various aspects of gas operations including the marketing and production of gas. The Natural Gas act and the Natural Gas Policy Act (collectively, the "Acts") mandate federal regulation of the interstate transportation of gas. The Natural Gas Wellhead Decontrol Act of 1989 terminated wellhead price controls on all domestic gas on January 1, 1993. Numerous concerns regarding the interpretation and implementation of several provisions of the Acts have led to lawsuits and administrative proceedings to challenge the validity of the Acts. The FERC is also considering various policies and proposals that may affect the marketing of gas under new and existing contracts. Accordingly, AMEN Properties is unable to predict the impact of any such governmental regulation.

In the past, Congress has been very active in the area of gas regulation. Recently enacted legislation repeals previously applicable incremental pricing requirements and gas use restraints. At this time, it is not feasible to predict with certainty, what proposals, if any, might actually be enacted by Congress or other legislative bodies and what effect, if any, such proposals might have on the oil and gas properties that may be considered for acquisition.

Board of Directors of Amen Properties - The board of directors of Amen Properties will consist of Eric Oliver, 43, acting as Chairman/CEO and Jon Morgan 43, who will also perform the duties of President/COO. In addition, current Crosswalk directors Bruce Edgington and Earl Gjelde will be directors.

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Mr. Gjelde and Mr. Edgington will also serve as members of the audit committee of the board of director's whose charter is unchanged.

Bruce E. Edgington, 44, has been director of Crosswalk and our predecessors since November 1995. From 1979 through 1988, Mr. Edgington was a registered representative with Johnston Lemon & Co., a securities broker-dealer, where his responsibilities included the management of retail securities accounts and administration. In 1988 he founded and continues to be an officer, director and stockholder of DiBiasio & Edgington, a firm engaged in providing software to investment firms and money managers.

Earl E. Gjelde, 58, has served as a Crosswalk director since April 1997. From 1989 through 1993, he was Vice President of Chemical Waste Management, Inc. and from 1991 to 1993 was Vice President of Waste Management Inc. (currently WMX Technologies, Inc.). Since 1991, Mr. Gjelde has been Managing Director, Summit Group International, Ltd., an energy and natural resource consulting firm with Internet based security controlled document systems and Managing Director, Summit Energy Group, Ltd., an energy development company and since 1996, a partner in Pipeline Power Partners, LP, a natural gas services company. From 1980 through 1989, Mr. Gjelde held various federal government positions including Under Secretary and Chief Operating Officer of the U.S. Department of Interior from 1985 through 1989 and Special Assistant to the Secretary, Chief Operating Officer, U.S. Department of Energy from 1982 through 1985. He is a member of the Board of Directors of The United States Energy Association, The World Energy Congress, the National Wilderness Institute, Allied Technologies Group, Inc., and publicly held Electrosources, Inc.

NOL Independent Assessment - The certified public accounting firm of Hoffman, Fitzgerald and Snyder, PC (HFS) who completes our annual income tax returns, was engaged to review our NOL as it relates to the Plan and has issued a memorandum verifying the status of the utilization of the NOL should the Plan achieve the proforma net income results. The following synopsis of the memorandum should be read in conjunction with the full text of HFS's memorandum dated June 24, 2002, which describes the assumptions made, matters considered and limitations of the NOL and is attached to this proxy statement as Annex C.

HFS provided guidance to indicate that Internal Revenue Code Section 382 contains the basic rules surrounding the use of net operating losses by Crosswalk, which would fall under the definition therein of a "loss" corporation. Section 382(a) states the general rule that there are limitations in the amount of net operating loss that may be utilized by a "loss" corporation subsequent to any ownership change. Specifically, if during the three year period ending on the date of an owner shift the total change in ownership among five percent owners has exceeded 50%, the net operating loss in existence as of the date of change is limited. There are very specific rules describing who is a five percent (5%) owner and when the test must be performed. HFS reviewed the historical five percent

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ownership change spreadsheet prepared by the Company and indicated their comfort with the assumptions used in its preparation and the ultimate conclusion that an ownership change did take place pursuant to the Wike Associates acquisition on August 13, 1999. As a result, the net operating loss of \$5,077,839 that existed at December 31, 1998, plus the pro-rata portion of the \$12,163,328 net operating loss generated during 1999 or \$7,497,941 may be limited by Section 382. As such, the limitation is that the maximum amount of this loss that can be utilized in any one subsequent tax year will be the fair market value of Crosswalk as of the date of the ownership change or \$61,202,383, multiplied by the then annual

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long-term applicable federal rate of 5.18%, or \$3,170,283. As of the date of the memo, the approximate \$15 million of NOL incurred after 1998 is not limited as defined herein. Actions not in the control of the Company that may have an impact on future ownership changes could affect the amount of NOL available for future use.

In addition, the ability to utilize the existing net operating loss, with the indicated annual limitation, will be dependent on whether a business continuity test is met. The test is met if within a two year period subsequent to an ownership change as defined herein, a new corporation either continues a significant line of business of the old loss corporation or utilizes a significant portion of the old loss corporation's historic assets. Since the Company has had no change subject to the continuity test within the two-year period subsequent to the ownership change of August 1999, HFS believes that there is no concern in this regard now. However HFS recognizes that the Company could have the NOL reduced to zero if an ownership change as described in Section 382 noted above, occurs within the two year period subsequent to implementation of the new business plan, as it may trigger a new two year period subject to the business continuity test.

Crosswalk selected HFS to review the NOL in connection with the Plan based on HFS's reputation, expertise and familiarity with the Crosswalk NOL and its business. HFS, who will receive a fee of \$3,100 for the NOL review, was founded in 1983 with its main office in McLean, VA. HFS is a member of the Division for CPA firms under the AICPA, which includes the Private Companies Practice Section and the Securities and Exchange Commission ("SEC") Practice Section. HFS is also a member of CPA Associates International, Inc. which is an association of independent firms of certified public accountants located in the U.S. and around the world, which provide clients with professional accounting, auditing, tax and management advisory services.

Financial Projections for Plan

Presented below is a projected balance sheet and statements of estimated taxable operating results and cash flows anticipated from assets acquired by Amen Properties as presented in Proposal Two. The statement of estimated taxable operating results for the properties to be acquired under Proposal Two are identified in the statements as "Lubbock Acquisition and Midland Acquisition." Revenue projections for these acquisitions are based on leases of record as of December 31, 2001. Operating expenses consist of among other things, building management, maintenance, security, utilities, supplies, repairs, insurance and real estate taxes. Year 1 operating expense projections are also based on audited prior twelve-month actual operating expenses, adjusted downward to compensate for a significant retroactive increase in gas prices recorded in 2001, which is not expected to recur on a going forward basis. Depreciation charges are based on the new accounting basis for the assets as described in the footnotes below, and interest expense is based on the revised debt structure as disclosed. These projections would be reduced proportionately if the Company proceeded with purchase of a controlling interest in TCTB or if only part of the buildings were acquired. Further assumptions used in deriving these estimates are provided in footnotes following the tables.

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Assets	Year 1	Year 2	Year 3
Cash	\$ 300,000	\$ 900,553	\$ 1,542,592
Lubbock Acquisition ****	4,100,000	4,100,000	4,100,000
Midland Acquisition ****	9,700,000	9,700,000	9,700,000
Future Acquisitions	--	10,000,000	25,000,000
Capital Expenditures**	175,000	467,983	877,983
Accumulated Depreciation	(265,192)	(739,170)	(1,539,379)
Total Assets	\$14,009,808	\$ 24,429,366	\$ 39,697,196
Liabilities			
Bank Loan***	6,800,000	16,640,216	31,252,679
Seller Financing-NOL LT Note****	4,000,000	4,000,000	3,483,633
Total Liabilities	\$10,800,000	\$ 20,640,216	\$ 34,736,312
Equity	3,209,808	3,789,150	4,960,884
Total Liabilities and Stockholders Equity	\$14,009,808	\$ 24,429,366	\$ 39,697,196
Projected Increase in Equity		18%	31%

** Comprised of capitalized common area improvements, tenant improvements, and leasing commissions

*** Non recourse debt-20 year with 7 year balloon-7.23 % fixed rate-with prepayment penalties (initial year one \$54,452 /mo. Payments)

**** Assumes current appraised value of buildings of \$16,000,000 and \$3,000,000 down payment) Note to be paid out of net operating loss savings assuming 34% taxable rate payable annually commencing year three Assumes interest expense for 100% of capital for all Year 2 acquisitions forward

Amen Properties Statements of Estimated Taxable Operating Results and Cash Flow Statement

Year 1	Year 2	Year 3	Year 4
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Property Revenue:				
Lubbock Acquisition	\$ 1,888,847	\$ 1,907,735	\$ 1,926,812	\$ 1,946,081
Midland Acquisition	2,182,714	2,204,542	2,226,587	2,248,853
New Acquisitions	--	3,125,000	8,031,250	14,705,000
Total Revenue	4,071,561	7,237,277	12,184,650	18,899,934
Operating Expenses	2,379,580	4,404,580	7,510,830	11,584,580
<hr/>				
Total Gross Margin	\$ 1,691,981	\$ 2,832,697	\$ 4,673,820	\$ 7,315,354
Expenses *				
Interest Expense	493,644	1,197,638	2,254,483	3,660,870
Depreciation **	265,192	473,978	784,209	1,204,183
G & A	250,000	262,750	275,626	289,406
A & D Transaction Expenses	13,000	50,000	55,000	60,500
<hr/>				
Total	\$ 1,021,837	\$ 1,984,116	\$ 3,369,317	\$ 5,214,959
Taxable Income	\$ 670,145	\$ 848,581	\$ 1,304,503	\$ 2,100,395
Capital Expenditures	(175,000)	(292,983)	(410,000)	(610,000)
Add Back Depreciation	265,192	473,978	784,209	1,204,183
Principal Reduction (amortized)	(159,784)	(387,537)	(729,513)	(1,184,596)
TCTB Payment	--	--	(516,367)	(443,531)
<hr/>				
Cash Flow After \$3M Cash Pay Yr 1 ***	\$ 600,553	\$ 642,039	\$ 432,832	\$ 1,066,450
<hr/>				
Projected EPS*****	\$ 0.07	\$ 0.08	\$ 0.11	\$ 0.18
Shares Outstanding	9,400,000	10,600,000	11,800,000	12,000,000

Projections assume "Value Added" property acquisitions of \$10M in Year 2, \$15M in Year 3, \$20M in Year 4, and \$25M in Year 5. Also assumed acquisition capitalization rates of 11%, 12%, 13% and 15% in Years 2-5 respectively. Cash and EPS would be affected if stock issued in lieu of cash for property acquisition.

* Assumes that preferred shareholders forego future dividend accumulation

** Asset Depreciation is figured with 30% allocation to land with a 39 year straight line schedule for 70% balance CapEx depreciation is figured over 10 years based on straight line basis

*** True cash flow in year one would include a negative \$3,000,000 to account for down payment on assets

**** Does not include offline advertising business expected to generate \$1M in sales and 13% return on revenue per annum

***** Assumes that preferred stockholders will exercise conversion rights to approximately three million shares of common stock in years one to three

Offline Advertising Business - For the near term, we will also maintain the operations of our offline advertising business whereby we generate approximately \$1 million of revenue through six card deck issuance annually, distributing

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awareness of over fifty ad clients' products to 225,000 churches in each mailing. The business, which employs a staff of three, is expected to return about 13% on revenue on a standalone basis. We maintain a proprietary database of about 140,000 churches and rent lists to meet the remaining distribution commitment. In order to concentrate management attention and resources to the Plan, management may pursue divestiture of this business. Stockholder approval would not be sought if we were to proceed with the sale of this business and associated intangible assets.

THE COMPANY INTENDS TO RETAIN ITS CHRISTIAN STATEMENT OF FAITH AND THE COMPANY'S POLICY

Article XIII of our Bylaws provides that Crosswalk is a "religious corporation." Our policy is generally to include among our officers and directors unconditionally, and employees, where a bona fide occupation qualification exists, only persons who, upon request, subscribe to the Company's Christian Statement of Faith as follows:

- "1. We believe that there is one God, eternally existing in three persons: the Father, the Son, and the Holy Spirit.
2. We believe that the Bible is God's written revelation to man and that it is verbally inspired, authoritative, and without error in the original manuscripts.
3. We believe in the deity of Jesus Christ, His virgin birth, sinless life, miracles, and death on the cross to provide for our redemption, bodily resurrection and ascension into heaven, present ministry of intercession for us, and His return to earth in power and glory.
4. We believe in the personality and deity of the Holy Spirit, that He performs the miracle of the new birth in an unbeliever and indwells believers, enabling them to live a godly life.
5. We believe that man was created in the image of God, but because of sin, was alienated from God. That alienation can be removed only by accepting through faith, God's gift of salvation which was made possible by Christ's death."

In order to implement the Christian Statement of Faith, we intend generally to act in accordance with the following policy, as stated in our Bylaws: "The Corporation shall:

1. Actively seek to market the services of the [C]orporation to those persons, entities, and agencies, which are actively involved in propagating a pattern of beliefs and actions consistent with the tenets of the Statement of Faith. Nothing herein shall be construed to prohibit marketing such services to other persons, entities, or agencies except as specifically set forth in the prohibitions or corporate action set forth below.
2. To the extent permitted by law, expend from the revenues of the [C]orporation such sums as are deemed prudent by the Board of Directors to support, encourage, or sustain persons or entities which in the judgment of the Board of Directors are expected to make significant efforts to propagate the Gospel of Jesus Christ in any manner not in conflict with the Statement of Faith. Such expenditures may be made without regard to the tax status or nonprofit status of the recipient. It is expected that the expenditures paid out under the provisions of this paragraph shall approximate ten percent (10%) of the amount that would otherwise be the net profits of the [C]orporation for the accounting period.

The Corporation shall not:

1. Take any position publicly or privately that denies or conflicts with the tenets of the Statement of Faith.

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2. Elect, qualify or permit to serve in office as a [d]irector or officer to the [C]orporation any person who has not without reservation subscribed to the Statement of Faith as being true, accurate and correct or who having so subscribed has either publicly or privately recanted from a particular of the Statement of Faith or who has publicly made statements or taken actions without repentance which the Board of Directors finds to be in clear conflict with the Statement of Faith.

3. Hire or continue to employ any employee in any position in which, in the sole discretion of the Corporation, subscription to the Statement of Faith is a bona-fide occupational qualification reasonably necessary to the normal operations of the Corporation's activities, where such employee refuses, upon request, to subscribe to the Statement of Faith or having so subscribed has either publicly or privately recanted from any particular of the Statement of Faith or has publicly made statements or taken actions without repentance which the Board of Directors finds to be in clear conflict with the Statement of Faith. Because the Scriptures teach that bad company corrupts good morals and that a little leaven affects the whole lump, it is important to the Corporation's purposes that

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it be protected from the influence of persons not in agreement with the Statement of Faith at every level of employment.

4. Permit any party to utilize the name, goodwill, trade marks, or trade names of the [C]orporation in any course of action or dealings which the [C]orporation itself is herein prohibited from taking."

"In addition to any other appropriate legend, prior to its issuance each and every share certificate to be issued by this Corporation shall be inscribed with a legend that states:

`This Corporation is a religious corporation. All shares of this [C]orporation are subject to the terms as set forth in the BYLAWS of the corporation which restricts the amendment or deletion of that section of the BYLAWS which prescribes a corporate Statement of Faith in the LORD JESUS CHRIST and directs or prohibits certain corporate actions on the basis of the Statement of Faith.' "

The Bylaws also state:

"No amendment to this Article XIII and no other superseding or conflicting provision of these BYLAWS, the ARTICLES OF INCORPORATION, or any shareholder agreement shall be adopted unless the result of the count of votes approving the amendment is 90% affirmative without dissension and a minimum of two-thirds of the shares outstanding are represented and voting. Such vote must be made at an actual special meeting of the shareholders called by written notice delivered to each shareholder not less than 10 nor more than 60 days prior to the date of the meeting. Time is of the essence as to this notice provision and no extension of the time of the meeting or adjournment of the meeting to a date outside the notice period shall be permitted except upon the affirmative vote of not less than 70 percent of the shares then issued and outstanding."

DIRECTORS ACTION REGARDING PREFERRED STOCKHOLDERS PURSUANT TO APPROVAL OF PROPOSAL TWO

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IF THE STOCKHOLDERS APPROVE PROPOSAL TWO AND THE COMPANY PROCEEDS WITH THE IMPLEMENTATION OF THE PLAN, THE BOARD OF DIRECTORS WILL MOST LIKELY MOVE TO PAY THE DIVIDENDS DUE TO THE SERIES "A" AND SERIES "B" PREFERRED STOCKHOLDERS IN COMMON STOCK BEFORE THE END OF THE FIRST YEAR OF OPERATION. According to the terms of the preferred stock purchase agreements, the number of shares shall be determined by dividing the dividend payable by the average closing price of the common stock for the sixty trading days prior to dividend declaration. The current dividend payable is \$234,000 and the financial model assumes the issuance of 300,000 shares in dividend payment for purposes of calculating projected earnings per share. This would be transacted with the understanding that the preferred stockholders will, upon receipt of dividend payment, waive the right to all future dividends.

VOTING LIMITATIONS

Both, Jon Morgan and Eric Oliver, stockholders and members of the Company's board of directors, and four preferred stockholders have a minority interest in the assets to be acquired. Therefore, their aggregate beneficial ownership of 1,342,791 or approximately 13% of equivalent voting common stock will be recused from voting on this Proposal Two.

WHAT HAPPENS IF PROPOSAL TWO IS NOT APPROVED OR COMPLETED

Because the proceeds related to the asset sale are required in order to pursue the Plan as herein described, the approval of Proposal Two necessitates approval of Proposal One and the completion of the asset sale.

If Proposal One is approved and the asset sale is completed, and Proposal Two is not approved, Crosswalk may elect to dissolve the Company, which would require separate stockholder approval. If the proceeds of the \$4.1 million asset sale were utilized to liquidate the Company, after payment of the preferred stockholders (\$3.0 million including dividend payments of \$234 thousand), offering costs of about \$200 thousand and balance sheet liquidation of about \$300 thousand, with cash and investments of around \$600 thousand, common stockholders would be left with approximately \$1.2 million or \$0.15 per share. The board of directors does not believe that this is in the best interest of the stockholders. Dissolution does not capitalize on our material remaining assets of the public company foundation, and a NOL of over \$29 million.

If Proposal One is not approved, Proposal Two is withdrawn. Under this scenario, if current sales levels continue, it would be unlikely that we would be able to pay, or provide for the payment of, all anticipated liabilities and obligations through the end of the year 2002, without either drastically cutting the services and content on

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crosswalk.com or arranging for further dilutive financing, which may not be available to the Company. If the asset sale is not approved or completed, it is also not likely that we would be able to sell our assets to another buyer on terms as favorable as those provided in the asset purchase agreement, or perhaps not at all. In this scenario, without adequate cost reduction or additional capital infusion, Crosswalk could be required to or be forced to resort to liquidation proceedings.

VOTE REQUIRED

The affirmative vote of the majority of shares present in person or represented by proxy at the Special Meeting, is required to approve the business plan.

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THE CROSSWALK BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE BUSINESS PLAN OF AMEN PROPERTIES

PROPOSAL THREE -Approval of the Proposal to Amend the Company's Certificate of Incorporation to Change the Name of the Company to AMEN Properties

The board of directors has approved an amendment to our Certificate of Incorporation to change the name of the Company to AMEN Properties. In light of the asset sale and our new business plan going forward after asset sale closure, the board of directors believes that the name change is appropriate. AMEN Properties reflects the vision and mission of the Plan to provide returns to investors through the select acquisition of cash producing assets.

In accordance with Delaware corporate law, if approved by the stockholders, the proposed amendment will become effective upon the filing of a certificate of amendment relating thereto with the Secretary of State of Delaware, which will occur as promptly as practicable after the date of the Special Meeting. Assuming this proposal is adopted, it will not be necessary for stockholders to surrender stock certificates. Instead, when certificates are presented for transfer, new certificates bearing the new name will be issued. The Company's trading symbol for its common stock will remain "AMEN" on the Nasdaq SmallCap Market.

Because Proposal Three is only relevant if Proposal Two is approved, the Approval of Proposal Three necessitates the approval of Proposal Two.

VOTE REQUIRED

The affirmative vote of the majority of shares present in person or represented by proxy at the Special Meeting, is required to approve the amendment to the Company's Certificate of Incorporation to change the name of the Company to AMEN Properties.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" APPROVAL OF THE PROPOSAL TO AMEND THE COMPANY'S ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY TO AMEN PROPERTIES

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CROSSWALK SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following summary selected historical consolidated financial data for Crosswalk should be read in conjunction with Crosswalk's financial statements included in this proxy statement and together with the section herein entitled "Management's Discussion and Analysis of Financial Position," in addition to other annual reports, quarterly reports and other information on file with the Securities and Exchange Commission. The consolidated financial data for the three fiscal years ended December 31, 2001, December 31, 2000 and December 31, 1999, and the consolidated balance sheet data as of December 31, 2001 and December 31, 2000, have been derived from Crosswalk's audited consolidated financial statements, included in this proxy statement, which have been audited by Ernst & Young LLP, independent accountants, whose report is also included in this proxy statement. The consolidated statement of operations and consolidated balance sheet data for the years ended December 31, 1998 and December 31, 1997, are derived from Crosswalk's audited financial statements, which have been audited by Hoffman, Fitzgerald and Snyder PC, independent auditors. The historical results presented below are not necessarily indicative of future results.

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	Year Ended December		
	2001 (1)	2000 (2)	1999 (3)

	(Dollars in thousands, except		
Statement of Operations Data:			
Operating Revenues:			
Total operating revenues	\$ 4,506.3	\$ 6,380.9	\$ 6,898.7

Cost of goods and services	1,737.1	2,701.1	3,728.3
Crosswalk operations	2,774.8	5,517.6	4,795.0
Sales and marketing	1,525.2	3,458.2	6,693.7
Amortization of goodwill and intangibles	1,682.2	1,182.3	457.3
General and administrative	1,654.5	2,340.5	2,543.9

Operating loss	(4,867.6)	(8,818.8)	(11,319.5)

Other income (expense)	83.1	198.3	666.8
Net loss before cumulative effect of a change in accounting practice	(4,784.5)	(8,620.5)	(10,652.7)
Cumulative effect of a one-time adjustment to reflect change in revenue and cost recognition	--	(1,407.6)	--

Net loss	\$ (4,784.5)	\$ (10,028.0)	\$ (10,652.7)
	=====		
Net loss per share before cumulative effect of a change in accounting practice	\$ (0.60)	\$ (1.11)	\$ (1.56)
Per share effect of a one-time adjustment to reflect change in revenue and cost recognition	--	(0.18)	--

Net loss per share (basic and diluted)	\$ (0.60)	\$ (1.29)	\$ (1.56)
	=====		
Weighted average number of shares outstanding (basic and diluted)	7,947.6	7,764.5	6,822.6
	=====		
Balance Sheet Data:			
Total assets	\$ 6,740.4	\$ 11,309.6	\$ 19,784.4
Working capital	1,004.8	2,288.6	5,090.7
Total stockholders' equity (deficit)	5,408.5	9,361.0	16,259.1

- (1) Includes \$500,000 cash infusion and \$300,000 stock subscription receivable from sale of Series "B" preferred stock Also includes \$500,000 charge for recognition of goodwill impairment
- (2) Includes \$2,000,000 cash infusion from sale of Series "A" preferred stock
- (3) Includes \$16,338,776 cash infusion from the exercise of 2,841,526 Purchase Warrants outstanding.
- (4) Includes recognition of \$1,700,000 of interest expense on the Company's junior subordinated notes.

These notes were repaid with the proceeds from the Company's IPO during the fourth quarter of 1997.

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(Unaudited)

The following unaudited pro forma consolidated balance sheet of Crosswalk as of June 30, 2002 presents our financial position assuming the asset sale had occurred on June 30, 2002. Since the asset sale is independent of the new business model introduced in Proposal Two, this pro forma portrays the impact on the balance sheet of passage of only Proposal One. All material adjustments required to reflect the asset sale are set forth in the column labeled "Sale Adjustments." The data contained in the column labeled "June 2002 Actual" is derived from our unaudited consolidated balance sheet as of June 30, 2002. The unaudited pro forma consolidated balance sheet should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of Crosswalk, including the notes thereto, appearing in our Annual Form 10-K for the year ended December 31, 2001 and "Management's Discussion and Analysis or Plan of Operation" and the consolidated financial statements of Crosswalk, including the notes thereto, appearing on interim report Form 10-QSB for the quarter ended June 30, 2002. The pro forma data is for informational purposes only and may not necessarily reflect Crosswalk's financial position or what our financial position would have been had we consummated the asset sale on June 30, 2002.

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ASSETS	June 2002 Actual ----- (unaudited)	Asset Sale Proforma Adjustments -----	
CURRENT ASSETS:			
Cash and cash equivalents	\$ 392,878	\$ --	
Short-term investments	306,246	4,100,000	(A)
Accounts receivable	420,918	--	
Deferred costs	203,800	(172,120)	(B)
Note receivable from officer	16,183	--	
	-----	-----	
Assets held for sale	2,433,350	(2,433,350)	(C)

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Total current assets	3,773,375	1,494,430	
LONG TERM INVESTMENTS	52,822	--	
PROPERTY AND EQUIPMENT, net	287,412	--	
OTHER ASSETS:			
Deposits	60,887	--	
Deferred costs	609	--	
Goodwill, net	750,339	--	
Total other assets	811,895	--	
TOTAL ASSETS	<u>\$ 4,925,504</u>	<u>\$ 1,494,430</u>	
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 317,232	\$ --	
Accrued expenses	601,211	1,570,000	(D
Deferred revenue	115,083	(113,823)	(B
Total current liabilities	<u>1,033,526</u>	<u>1,456,177</u>	
OTHER LIABILITIES:			
Accounts payable	131,211	--	
Other liabilities	19,439	--	
STOCKHOLDERS' EQUITY			
Preferred stock	160	--	
Common stock	79,682	--	
Common stock warrants	127,660	--	
Additional paid-in capital	42,056,199	--	
Accumulated deficit	(38,519,456)	38,253	(E
Accumulated other comprehensive loss: -			
Net unrealized loss on available-for-sale securities	(2,917)	--	
Total stockholders' equity	<u>3,741,328</u>	<u>38,253</u>	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 4,925,504</u>	<u>\$ 1,494,430</u>	

Notes to Unaudited Pro Forma Consolidated Balance Sheet Reflecting Asset Sale Only

The unaudited pro forma consolidated balance sheet gives effect to the asset sale, as if it had occurred as of June 30, 2002.

Asset Sale

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On May 24, 2002, following the approval of our board of directors, we entered into a letter of intent agreement with OnePlace, LLC, a wholly owned subsidiary of Salem Communications ("Salem"). The asset purchase agreement dated as of August 19, 2002, contemplates that, subject to the satisfaction of the conditions contained therein (including obtaining the approval of the stockholders of Crosswalk), Oneplace, LLC would acquire substantially all of Crosswalk's Internet related intellectual property and other technology assets, email lists and newsletters, customer base and trademarks for a purchase price of \$4.1 million, to be paid in cash (the "asset sale"). Crosswalk currently intends to use the proceeds of this sale to initiate the business plan, which is the subject of Proposal Two submitted for stockholder approval herein. There is no assurance that Crosswalk can successfully consummate the asset sale. The following adjustments are reflected in the unaudited pro forma condensed consolidated balance sheet:

- (A) To record the total asset sale price of \$4.1 million to be paid in cash at closing which is expected to be promptly after if and when stockholder approval is achieved.
- (B) To record reversal of deferred revenue and cost associated with contracts, which are, part of the asset sale.
- (C) To record elimination of carrying value of goodwill, intangible assets, and property plant and equipment included in the asset sale and classified as Assets held for sale pursuant to Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."
- (D) To record accrual for estimated costs related to the asset sale, which include, but are not limited to, \$45,000 of deferred license fees, \$1.0 million of commitments related to rent and hosting agreements, \$330,000 of employee severance costs, \$125,000 of legal and advisory fees, and \$150,000 for obsolescence related to assets which will no longer be in use.
- (E) To record the estimated pro forma gain on the asset sale.

Crosswalk Pro Forma Consolidated Statements of Operations Reflecting Asset Sale Only (Unaudited)

The following unaudited pro forma consolidated statements of operations for the year ended December 31, 2001 and the six months ended June 30, 2002, were prepared to illustrate the estimat