

Settlement of Medafor v. Richard R. Zerban and Steven G. Anderson, et al.

MINNEAPOLIS, April 7, 2010 -- In November 2009, Medafor, Inc. filed a lawsuit against Mr. Steven Anderson, the founder and CEO of CryoLife, Inc., and Mr. Richard Zerban, the former CEO of Medafor, regarding Mr. Zerban's sale to Mr. Anderson of 1,000 shares of Medafor stock (the "Transaction").

The lawsuit is captioned as Medafor, Inc. v. Richard R. Zerban and Steven G. Anderson, et al., Hennepin County, Minnesota, Case File No. 27-CV-09-30357 (the "Lawsuit"). Mr. Anderson, asserted a counterclaim against Medafor and third party claims against Mr. Gary Shope, Medafor's CEO, and Mr. Gavin Thomson, Medafor's CFO, in the Lawsuit regarding the Transaction.

Medafor has agreed to dismiss with prejudice all of its claims against Mr. Anderson and Mr. Zerban in the Lawsuit. Medafor has also agreed to register the 1,000 shares in Mr. Anderson's name effective as of May 13, 2009. Mr. Anderson, in turn, has agreed to dismiss with prejudice all of his counterclaims against Medafor and all of his third-party claims against Mr. Shope and Mr. Thomson.

Medafor retracts the allegations it has made on its website and elsewhere that the Transaction was wrongful. As part of the dismissal, both parties withdraw the allegations they have made against one another in the Lawsuit. No party admits or acknowledges liability or wrongdoing in this matter. The Lawsuit was settled to the Parties' mutual satisfaction.