

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE CRYOLIFE, INC. X
: CIVIL ACTION NO.
SECURITIES LITIGATION : 1:02-CV-1868 BBM
X

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED
SETTLEMENT, MOTION FOR ATTORNEYS' FEES AND
SETTLEMENT FAIRNESS HEARING**

**If you purchased or otherwise acquired
CryoLife, Inc. common stock
between April 2, 2001 and August 14, 2002, inclusive,
then you may be entitled
to payment from a class action settlement.**

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The Settlement will provide a \$23.25 million settlement fund for the benefit of investors who purchased or otherwise acquired shares of CryoLife, Inc. ("CryoLife") common stock between April 2, 2001 and August 14, 2002, inclusive (the "Class Period").
- The Settlement resolves a lawsuit over whether CryoLife misled investors about its future earnings.
- Your legal rights are affected whether you act or do not act. Read this notice carefully

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Cryolife and other Defendants about the Released Claims.
OBJECT	Write to the Court about why you do not like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Get no payment. Give up rights.

- These rights and options — **and the deadlines to exercise them** — are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved. Please be patient.

SUMMARY

Statement of Plaintiff Recovery

Pursuant to the Settlement described herein, a Settlement Fund valued at \$23.25 million has been established, of which up to \$3.75 million may initially be in the form of common stock, to be divided, after fees and expenses are paid, among all Class Members who send in a valid Proof of Claim and Release (“Proof of Claim”) form. The stock portion of the Settlement will be sold for the benefit of the Class before distribution, so that only cash will be distributed. Plaintiffs estimate that there were approximately 15.3 million shares of CryoLife common stock traded during the Class Period that may have been damaged. Plaintiffs estimate that the average recovery per damaged share of CryoLife common stock under the Settlement is \$1.60 per damaged share for shares purchased after December 7, 2001 and \$0.12 per damaged share for shares purchased prior to December 7, 2001, before deduction of Court-awarded attorneys’ fees and expenses. A Class Member’s actual recovery will be a proportion of the Net Settlement Fund determined by his, her or its Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. Depending on the number of claims submitted, when during the Class Period a Class Member purchased shares of CryoLife common stock, and whether those shares were held at the end of the Class Period or sold during the Class Period, and if sold, when they were sold, an individual Class Member may receive more or less than this average amount. See the Plan of Allocation on page 9 for more information on your Recognized Claim.

Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim alleged. Had Plaintiffs prevailed at trial and had their theory and evidence respecting damages been accepted, Plaintiffs believe that Class Members could have been awarded between \$6 and \$15 per share for each share purchased during the Class Period and held until the end. However, Plaintiffs also believe these amounts might not have been fully collectible because the aggregate award of damages to all Class Members could have exceeded Defendants’ available insurance and the value of their assets available for execution of a judgment. Defendants deny that they are liable to Plaintiffs or the Class and deny that Plaintiffs or the Class have suffered any damages.

Statement of Attorneys’ Fees and Costs Sought

Plaintiffs’ Counsel are moving the Court to award attorneys’ fees not to exceed 30% of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$600,000. The requested fees and expenses would amount to an average of approximately \$0.52 per damaged share for shares purchased after December 7, 2001 and \$0.04 per damaged share for shares purchased prior to December 7, 2001 in total for fees and expenses. Application may also be made for reimbursement to the Lead Plaintiffs for an amount not to exceed \$80,000 for their reasonable time and expenses directly relating to their representation of the Class. Plaintiffs’ Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys’ fees.

Further Information

Further information regarding the Litigation and this Notice may be obtained by contacting Plaintiffs’ Co-Lead Counsel: Martin D. Chitwood, Esq., Chitwood Harley Harnes LLP, 1230 Peachtree Street, N.E., 2300 Promenade Two, Atlanta, Georgia 30309, Telephone (404) 873-3900; Sherrie R. Savett, Esq., Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA 19103, Telephone (215) 875-3000.

Reasons for the Settlement

The principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased shares of CryoLife, Inc. common stock (“CryoLife stock”) between April 2, 2001 and August 14, 2002, inclusive. The Court in charge of the case is the United States District Court for the Northern District of Georgia, Atlanta Division and the case is known as *In re CryoLife, Inc. Securities Litigation*, Master File No. 1:02-CV-1868 BBM. U.S. District Judge Beverly B. Martin is in charge of this class action. The people who sued are called Plaintiffs, and the Company and individuals they sued — CryoLife, Inc., Steven G. Anderson, Albert E. Heacox, D. Ashley Lee, and James C. Vander Wyk — are called Defendants.

The Court sent you this Notice because you have a right to know about this class action lawsuit, and about all of your options.

This package explains the lawsuit, your legal rights, and what you must do to preserve your legal rights.

2. What is this lawsuit about?

CryoLife is in the business of providing implantable human tissues for use in cardiovascular, vascular and orthopedic surgeries.

CryoLife was the subject of inspections by the United States Food & Drug Administration (“FDA”) and Centers for Disease Control and Prevention (“CDC”). Plaintiffs allege that CryoLife made a series of false and misleading statements during the Class Period that impacted the Company’s share price, including regarding the following:

On March 15, 2002, the CDC’s Morbidity and Mortality Weekly Report indicated that half of 26 bacterial infections in patients who received implants of orthopaedic cadaver tissues, including one that resulted in death, occurred in patients who received tissues from a single tissue processor, known by the public to be CryoLife. The Report also indicated that the CDC had recommended additional practices to CryoLife to reduce the risk for infections. Following that Report the closing price of CryoLife stock on March 15, 2002 fell more than \$8 per share from its closing price on March 14, 2002.

On June 24, 2002, CryoLife issued a press release announcing that the Company had received a warning letter from the FDA related to the FDA’s April 2002 inspection of CryoLife. Following that press release the closing price of CryoLife stock on June 25, 2002 fell more than \$4 per share from its closing price on June 24, 2002.

On July 23, 2002, CryoLife announced that “due to the adverse publicity surrounding our industry, a few customers have decreased their use of allograft tissue implants.” Following that announcement the closing price of CryoLife stock on July 23, 2002 declined \$3.20 per share from its closing price on July 22, 2002.

On August 14, 2002, the FDA announced a recall of a large part of CryoLife’s existing inventory because its safety could not be assured. Following that announcement the closing price of CryoLife stock on August 14, 2002 dropped more than \$7 per share from its closing price on August 13, 2002.

In its Order dated March 1, 2004, the Court characterized the case as follows:

The class claims, issues and defenses concern whether the defendants misrepresented and concealed, with actual knowledge or severe recklessness, facts regarding compliance of CryoLife, Inc. (“CryoLife”) with regulations, directives and recommendations of governmental agencies and the consequences thereof, whether CryoLife assured the highest standard of quality control, and whether CryoLife’s quality control either met or exceeded typical industry processes. The issues also relate to the consequences of deficiencies found by various governmental agencies in CryoLife’s tissue procurement, processing, discard, testing and other practices, as well as the consequences of other matters that are alleged to have been concealed or misrepresented with actual knowledge or severe recklessness.

On June 17, 2005, the Court entered an order allowing certain of Plaintiffs’ claims to be tried before a jury in the Northern District of Georgia. At the time of Settlement, several critical pre-trial motions, including motions to exclude testimony by Plaintiffs’ experts, had not been decided by the Court. The outcome of these motions was a significant risk to Plaintiffs.

3. Why is this a class action?

In a class action, one or more Class Representatives sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. The Court certified this case as a class action by Order of December 16, 2003.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a Settlement. That way, they avoid the risks and cost of a trial and the risks of an uncollectible judgment, and the people affected will get compensation. The Class Representatives and the attorneys think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the Settlement?

By Order dated December 16, 2003, the Court defined the Class as follows:

All persons and entities who purchased or otherwise acquired CryoLife, Inc. common stock between April 2, 2001 and August 14, 2002, inclusive, and who were damaged thereby.

If one of your mutual funds purchased shares of CryoLife common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you directly purchased shares of CryoLife common stock during the Class Period. Contact your broker to see if you purchased CryoLife common stock during the Class Period.

If you **sold** CryoLife common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased** or acquired your shares during the Class Period.

The Class shall not include anyone named as a Defendant in this Action; members of the immediate family of any such Defendant; any entity in which any such Defendant or family member has or had a controlling interest; the officers and directors of CryoLife, Inc.; or the legal affiliates, representatives, controlling persons, predecessors in interest, heirs, assigns, or any other successors in interest of any such excluded party.

6. What if I am still not sure whether I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-528-7199 or visit www.hrsclaimsadministration.com for more information. Or you can fill out and return the claim form described on page 6, in question 9, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What does the Settlement provide?

In exchange for the Settlement and dismissal of the Action, Defendants have agreed to create a \$23.25 million fund of which up to \$3.75 million may initially be in the form of common stock, to be divided, after fees and expenses are paid, among all Class Members who send in a valid Proof of Claim form. The stock portion of the Settlement will be sold for the benefit of the Class before distribution, so that only cash will be distributed.

8. How much will my payment be?

Your share of the fund will depend on the total Recognized Claims represented by the valid Proof of Claim forms that Class Members send in, how many shares of CryoLife common stock you bought, and when you bought and whether or when you sold them.

By following the instructions on pages 9-11 of this Notice, you can calculate what is called your Recognized Claim. It is unlikely that you will get a payment for all of your Recognized Claim. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Claim divided by the total of everyone's Recognized Claims. See the Plan of Allocation on page 9 for more information on your Recognized Claim.

HOW YOU GET A PAYMENT — SUBMITTING A CLAIM FORM

9. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at www.hrsclaimsadministration.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than **December 30, 2005**.

10. When might I get my payment?

The Court will hold a hearing on **November 9, 2005**, to decide whether to approve the Settlement. If the Court approves the Settlement after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proof of Claim forms to be processed. Please be patient.

11. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that, upon the “Effective Date,” you will release all “Released Claims” (as defined below). In other words, if you are a Class Member and do not exclude yourself, you will be giving up your right to sue the Released Parties for any claims arising from your purchase of CryoLife securities between April 2, 2001 and August 14, 2002, inclusive. It also means that all of the Court’s orders will apply to you and legally bind you. “Released Claims” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and unknown claims that relate to the purchase, acquisition, or ownership of the securities of CryoLife during the Class Period and that: (i) have been asserted in the Actions by the Class Members or any of them against any of the Released Parties, or (ii) could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of, are based upon, or are in any way related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints.

“Released Parties” means any and all of Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, attorneys, advisors and investment advisors, auditors, accountants and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of Defendants.

The “Effective Date” will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal and other conditions are met.

If you remain a member of the Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue CryoLife and the other Defendants, on your own, about the Released Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the Class. Defendants may withdraw from and terminate the Settlement if in excess of a certain amount of claimants exclude themselves from the Class.

12. How do I get out of the proposed Settlement?

To exclude yourself from the Class, you must send a letter by mail stating that you “request exclusion from the Class in the *In re CryoLife, Inc. Securities Litigation*.” Your letter should state the date(s), price(s), and number(s) of shares of all your purchases and sales of CryoLife common stock during the Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request post-marked no later than **October 31, 2005** to:

CryoLife, Inc. Securities Litigation Exclusions
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
P.O. Box 210
Philadelphia, PA 19105-0210

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue (or continue to sue) CryoLife and the other Defendants in the future.

13. If I do not exclude myself, can I sue CryoLife and the other Defendants for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Released Parties for any and all Released Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **October 31, 2005**.

14. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. But, if you exclude yourself, this Settlement would not prevent you from suing, continuing to sue, or being part of any different lawsuit against CryoLife and the other Defendants.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court ordered that the law firms of Chitwood & Harley LLP (n/k/a Chitwood Harley Harnes LLP) in Atlanta, Georgia, and Berger & Montague, P.C. in Philadelphia, Pennsylvania will represent all Class Members. These lawyers are called Plaintiffs’ Co-Lead Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

Please note that Plaintiffs’ Co-Lead Counsel do not represent you if you choose to exclude yourself and initiate your own action against CryoLife and/or the Individual Defendants.

16. How will the lawyers be paid?

Plaintiffs’ Co-Lead Counsel are moving the Court to award attorneys’ fees from the Settlement Fund in an amount not greater than 30% of the Gross Settlement Fund and for reimbursement of their expenses in the approximate amount of \$600,000, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. Plaintiffs’ Co-Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Members of the Class and any proceedings subsequent to the Settlement Fairness Hearing.

Plaintiffs’ Co-Lead Counsel may also move the Court to award a payment of up to \$80,000 to the Class Representatives, Peter and Alison Hilbig, Richard Lippe, and Stanley R. Levine, for the reasonable costs and expenses directly relating to their representation of the Class.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

17. How do I tell the Court that I do not like the proposed Settlement?

If you are a Class Member, you can object to the proposed Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement in the *In re CryoLife, Inc. Securities Litigation*. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of CryoLife common stock you made during the Class Period, and state the reasons why you object to the proposed Settlement. Your objection must be filed with the Court and served on all the following counsel on or before **October 31, 2005**:

COURT	PLAINTIFFS' CO-LEAD COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court United States District Court for the Northern District of Georgia, Atlanta Division Richard B. Russell Federal Building and Courthouse 75 Spring Street, SW Atlanta, GA 30303	Martin D. Chitwood, Esq. Chitwood Harley Harnes LLP 2300 Promenade Two 1230 Peachtree Street, N.E. Atlanta, Georgia 30309 Sherrie R. Savett, Esq. Berger & Montague, P.C. 1622 Locust Street Philadelphia, PA 19103	Michael Smith, Esq. King & Spalding LLP 191 Peachtree Street Atlanta, GA 30303-1763

18. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Fairness Hearing at 10:00 a.m. on Wednesday, **November 9, 2005**, at the United States District Court for the Northern District of Georgia, Atlanta Division, Richard B. Russell Federal Building and Courthouse, 75 Spring Street, SW, Atlanta, Georgia 30303. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Co-Lead Counsel before coming to be sure that the date and/or time has not changed.

20. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. May I speak at the hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Fairness Hearing. To do so, you must include with your objection (see question 17 above) a statement saying that it is your “Notice of Intention to Appear in the *In re CryoLife, Inc. Securities Litigation*.” Persons who intend to object to the Settlement, the Plan of Allocation, and/or counsel’s application for an award of attorneys’ fees and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Released Parties about the Released Claims in this case, ever again.

GETTING MORE INFORMATION

23. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in a Stipulation of Settlement dated August 29, 2005 (the “Stipulation”). You can get a copy of the Stipulation by visiting www.hrsclaimsadministration.com, or by writing to Plaintiffs’ Co-Lead Counsel.

You also can call the Claims Administrator at 1-800-528-7199 toll free; write to CryoLife, Inc. Securities Litigation Settlement, P.O. Box 210, Philadelphia, PA 19105-0210; or visit the website at www.hrsclaimsadministration.com, where you will find answers to common questions about the Settlement, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

24. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Northern District of Georgia, Atlanta Division, Richard B. Russell Federal Building and Courthouse, 75 Spring Street, SW, Atlanta, Georgia 30303, during regular business hours.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The \$23.25 million Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the “Net Settlement Fund”) shall be distributed to Members of the Class who submit valid Proofs of Claim (“Authorized Claimants”).

The Claims Administrator shall determine each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s “Recognized Claim.” The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement.

The Plan of Allocation was developed by Plaintiffs’ Counsel in conjunction with experts of financial markets. Pursuant to the Plan, “Recognized Claim” is determined as of the times of disclosures regarding CryoLife that caused substantial declines in the stock price. The disclosures occurred on: March 15, 2002; June 24, 2002; July 23, 2002; and August 14, 2002. Shares held through August 14, 2002, are assigned a value \$3.20 per share based on the price of the stock in the 90 days following the end of the Class Period. For purchases before December 7, 2001, Recognized Claim is a lower percentage of actual loss because Plaintiffs’ damages expert determined that most of those Class Members’ losses were caused by factors other than the alleged fraud, and because the Court ruled that Defendants could not be found liable for statements prior to December 7, 2001.

Recognized Claim shall be calculated as follows:

<u>Date of Purchase</u>	<u>Date of Sale</u>	<u>Recognized Claim</u>
April 2, 2001– December 6, 2001	April 2, 2001– March 14, 2002	— 0 —
	March 15, 2002– August 14, 2002	(.075) x (Purchase price less sale price)
	August 15, 2002 or later	(.075) x (Purchase price less \$3.20/share)
December 7, 2001– March 14, 2002	December 7, 2001– March 14, 2002	— 0 —
	March 15, 2002– August 14, 2002	(Purchase price less sale price)
	August 15, 2002 or later	(Purchase price less \$3.20/share)
March 15, 2002– June 23, 2002	March 15, 2002– June 23, 2002	— 0 —
	June 24, 2002– August 14, 2002	(Purchase price less sale price)
	August 15, 2002 or later	(Purchase price less \$3.20/share)
June 24, 2002– July 22, 2002	June 24, 2002– July 22, 2002	— 0 —
	July 23, 2002– August 14, 2002	(Purchase price less sale price)
	August 15, 2002 or later	(Purchase price less \$3.20/share)
July 23, 2002– August 14, 2002	July 23, 2002– August 13, 2002	— 0 —
	August 14, 2002	(Purchase price less sale price)
	August 15, 2002 or later	(Purchase price less \$3.20/share)

In the event a Class Member has more than one purchase or sale of CryoLife common stock, all prior holdings, purchases and sales shall be matched on a First In First Out (“FIFO”) basis. A purchase or sale of CryoLife common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. Shares “transferred into,” “delivered into” or “received into” the Claimant’s account will not be considered as a purchase of shares unless the Claimant submits documentation demonstrating that the original purchase of these shares occurred during the Class Period. Also, shares purchased and subsequently “transferred out” or “delivered out” of Claimant’s account will not be considered part of Claimant’s claim, as the right to file for those shares belongs to the person or party receiving the shares.

The receipt or grant by gift, devise or operation of law of CryoLife common stock during the Class Period shall not be deemed a purchase of CryoLife common stock. If a Claimant inherited or received a gift of CryoLife common stock during the Class Period, that inheritance or gift is not considered a purchase of CryoLife common stock unless the Claimant’s ancestor or donor was the actual purchaser of CryoLife common stock during the Class Period. The Claimant, as a recipient of a gift or inheritance, and the original purchaser may not both file a claim with regard to the same shares of CryoLife common stock. If both the Claimant and the donor (or the an-

cestor's estate) make such a claim, only the claim filed by the recipient (or heir) will be honored.

Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

Distributions will be made to Authorized Claimants who would receive at least \$10.00 in such distribution after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund six months after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Co-Lead Counsel and approved by the Court.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased common stock of CryoLife during the period between April 2, 2001 and August 14, 2002, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim forms directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re CryoLife, Inc. Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
P.O. Box 210
Philadelphia, PA 19105-0210
1-800-528-7199

DATED: September 8, 2005

Atlanta, Georgia
BY ORDER OF THE COURT:
CLERK OF THE COURT

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

_____ X
IN RE CRYOLIFE, INC. : CIVIL ACTION NO.
SECURITIES LITIGATION : 1:02-CV-1868 BBM
_____ X

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Class based on your claims in the action entitled *In re CryoLife, Inc. Securities Litigation*, Civil Action No. 1:02-CV-1868-BBM (the "Litigation"), you must complete and, on page 15 hereof, sign this Proof of Claim and Release. If you fail to file a timely properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed settlement of the Litigation.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of settlement in the Litigation.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE **DECEMBER 30, 2005**, ADDRESSED AS FOLLOWS:

In re CryoLife, Inc. Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
P.O. Box 210
Philadelphia, PA 19105-0210

4. If you are NOT a Member of the Class (as defined in the Notice of Pendency of Class Action and Proposed Settlement, Motion for Attorneys' Fees and Settlement Fairness Hearing (the "Notice")), DO NOT submit a Proof of Claim and Release Form.

5. If you are a Member of the Class and you did not timely request exclusion in connection with the proposed Settlement, you are bound by the terms of any judgment entered in the Litigation, including the releases provided therein, REGARDLESS OF WHETHER YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

II. CLAIMANT IDENTIFICATION

1. If you purchased CryoLife, Inc. common stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased CryoLife, Inc. common stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled "Claimant Identification" to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of CryoLife, Inc. common stock which forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS, OF THE CRYOLIFE, INC. COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or Employer Identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

III. CLAIM FORM

1. Use Part II of this form entitled "Schedule of Transactions in CryoLife, Inc. common stock" to supply all required details of your transaction(s) in CryoLife, Inc. common stock, including a description of your CryoLife, Inc. holdings as of the opening of trading on April 2, 2001 and as of the close of trading on August 14, 2002. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide all of the requested information with respect to **all** of your purchases and **all** of your sales of CryoLife, Inc. common stock, which took place at any time beginning April 2, 2001 through and including August 14, 2002, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction separately and in chronological order, by trade date as opposed to settlement date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

4. The date of covering a "short sale" is deemed to be the date of purchase of CryoLife, Inc. common stock. The date of a "short sale" is deemed to be the date of sale of CryoLife, Inc. common stock.

5. Copies of broker confirmations or other documentation of your transactions in CryoLife, Inc. common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

IV. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I also submit to the jurisdiction of the United States District Court for the Northern District of Georgia with respect to my claim as a Class Member and for purposes of enforcing the release set forth herein. I further acknowledge that I am bound by and subject to the terms of any judgment that may be entered in the Litigation. I agree to furnish additional information to the Claims Administrator to support this claim, including transactions in other CryoLife, Inc. securities, such as options, if requested to do so. I have not submitted any other claim covering the same purchases or sales of CryoLife, Inc. common stock during the Class Period and know of no other person having done so on my behalf.

V. RELEASE

1. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, and discharge all Released Claims against the Released Parties.

2. "Released Parties" means any and all of the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, attorneys, advisors, insurers, and investment advisors, auditors, accountants and any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of Defendants.

3. "Released Claims" any and all claims (including "Unknown Claims" as defined below), debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and unknown claims that relate to the purchase, acquisition, or ownership of the securities of CryoLife during the Class Period and that: (i) have been asserted in the Actions by the Class Members or any of them against any of the Released Parties; or (ii) could have been asserted in any forum by the Class Members or any of them against any of the Released Parties which arise out of, are based upon, or are in any way related to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the complaints which were filed in each of the Actions or in the Consolidated Amended Complaint.

4. "Unknown Claims" means any Released Claim which any Class Member does not know or suspect to exist in such party's favor at the time of the release of the Released Parties which, if known by such party, might have affected such party's settlement with and release of the Released Parties, or might have affected such party's decision not to object to this Settlement. With respect to any and all Released Claims, upon the Effective Date, the Class Members shall expressly, and by operation of the Order and Final Judgment shall have expressly waived, the provisions, rights and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Class Members by operation of the Order and Final Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Class Members may hereafter discover facts in addition to or different from those which such party now knows or believes to be true with respect to the subject matter of the Released Claims, but the Class Members, upon the Effective Date, by operation of the Order and Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts.

5. This release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and the Stipulation becomes effective on its Effective Date.

6. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

7. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in CryoLife, Inc. common stock which occurred during the Class Period as well as the amount of CryoLife, Inc. common stock held by me (us) at the opening of trading on April 2, 2001, and at the close of trading on August 14, 2002.

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number (TIN) and Certification

PART I

Name:

Check appropriate box: Individual/Sole Proprietor Pension Plan Corporation Partnership
 Trust IRA Other (specify) _____

Enter your Taxpayer Identification Number ("TIN") in the appropriate space. For individuals, this is your social security number ("SSN"). For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN"). For other entities, it is your EIN.

Social Security Number: -- OR Employer Identification Number: -
(for individuals) (for estates, trusts, corporations, etc.)

PART II

For Payees Exempt From Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line:

_____.

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my correct TIN; and
2. I (We) certify that I am (we are) **NOT** subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out item 2 above and check here .

NOTE: If you require the Instructions for Completing Substitute form W-9, please make a written request to the Claims Administrator or go to our website at www.irsclaimsadministration.com. Please note that your accountant should also be able to provide you with the Instructions.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct and that this Proof of Claim and Release form was executed this _____ day of _____ in _____, _____, _____.
(month) (year) (City, State, Country)

Signature of Claimant

(Type or print your name here)

(Signature of Joint Claimant, if any)

(Type or print your name here)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator)

In re CryoLife, Inc. Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
Claims Administrator
P.O. Box 210
Philadelphia, PA 19105-0210

PLEASE FORWARD

FIRST CLASS MAIL U.S. POSTAGE PAID PERMIT NO. 2323 PHILADELPHIA, PA

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and certification on page 15.
2. Remember to attach copies of supporting documentation.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.