



## SEDONA CORPORATION ANNOUNCES RECENT COURT RULING

KING OF PRUSSIA, PA - August 21, 2009-- SEDONA® Corporation (OTCBB: SDNA) ([www.sedonacorp.com](http://www.sedonacorp.com)), announces recent ruling in case 3:07-CV-00171-TPS issuing a declaratory judgment regarding a breach of contract action filed by SEDONA Corporation against Open Solutions, Inc., in the United States District Court District of Connecticut. On June 28, 2006, SEDONA filed a civil action lawsuit against Open Solutions Inc. (OSI), in Montgomery County Court in Pennsylvania for breach of a software license agreement entered into between the parties in May 2002. In the lawsuit, the Company alleges that since September 2004, OSI failed to pay royalty payments required under the parties' master software license and services agreement for licensed products and services sold by OSI to its customers. OSI removed the case to federal court and successfully moved for a change in venue from the United States District Court for the District of Pennsylvania to the United States District Court for the District of Connecticut. SEDONA filed an amended complaint after the case was transferred to the District of Connecticut. In its amended complaint, SEDONA seeks a declaration and damages relating to OSI's failure to pay royalties under the agreement for its sales of the cView product operating on the .NET platform and for breach of the agreement's confidentiality provision. OSI served an amended answer with counterclaims asserted against SEDONA for declaratory relief and breach of contract.

In a ruling filed August 19, 2009, the court denied SEDONA's motion for summary judgment on claims that OSI was required to pay royalties on the sale of the cView product and that failure to pay such royalties and disclosure of confidential information to the offshore development company constituted a breach of contract. Further, the court denied OSI's motion for summary judgment on claims that SEDONA was in breach of contract for demanding royalty payments, while accepting OSI's claim that cView was a license enhancement not subject to royalties.

Anita Primo, Vice President and CFO of SEDONA, said: "While SEDONA Corporation respects the Court, we disagree with its decision and are disappointed with the ruling. However, SEDONA will continue to explore legal alternatives including filing an appeal on this decision. We remain confident in our assessment that the validity of our claims is substantiated from well-documented evidence gathered during the discovery process. The Company will continue to vigorously defend any misappropriation of its intellectual capital and pursue all legal recourse to obtain remuneration that is rightfully owed for the embedding or licensing of our technology."

David Vey, Chairman and CEO of SEDONA Corporation, added that "the early version of our CRM product used by OSI was replaced several years ago. Therefore, despite the court's ruling, I remain confident in the Company's growth potential. Along with the recent announcement of our new product architecture, we have developed an unprecedented capability to provide best practices for expanding

market penetration, increasing customer loyalty, and improving profitability within leading financial institutions throughout the world.”

### **About SEDONA Corporation**

SEDONA® Corporation (OTCBB: SDNA) helps community banks, regional banks, and credit unions to thrive by enabling their entire organization to effectively identify, acquire, foster and retain loyal, profitable customers and members. SEDONA offers SEDONA CRM™ for banks and SEDONA MRM™ for credit unions, delivering software, services, and knowledge that provide the foundation for initiatives to improve customer acquisition, customer retention, profitability, referral tracking, cross-selling, sales culture support, marketing and organizational efficiencies, and marketing ROI. For additional information, visit the SEDONA website at [www.sedonacorp.com](http://www.sedonacorp.com) or call 1-800-815-3307.

### Forward-Looking Statements

Statements made in this news release that relate to future plans, events or performances are forward-looking statements. Any statement containing words such as "believes," "anticipates," "plans," or "expects," and other statements which are not historical facts contained in this release are forward-looking, and these statements involve risks and uncertainties and are based on current expectations. Consequently, actual results could differ materially from the expectations expressed in these forward-looking statements.

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This press release and prior releases are available on the  
SEDONA Corporation web site at [www.sedonacorp.com](http://www.sedonacorp.com).

#### **SEDONA INVESTOR CONTACT:**

Tel: 1-610-337-8400

Email: [investorinfo@sedonacorp.com](mailto:investorinfo@sedonacorp.com)

#### **SEDONA MEDIA CONTACT:**

Tel: 1-610-337-8400

Email: [jacques.murphy@sedonacorp.com](mailto:jacques.murphy@sedonacorp.com)