

OPEN SOLUTIONS INC
Form DEF 14A
April 25, 2005

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**

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 Material Under Rule 14a-12

Open Solutions Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (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 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:
 - o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.
 - (1) Amount previously paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
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**OPEN SOLUTIONS INC.
455 Winding Brook Drive
Glastonbury, Connecticut 06033**

**NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On May 19, 2005**

To Our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Open Solutions Inc. will be held on Thursday, May 19, 2005 at 9:30 a.m., Eastern time, at the Hilton Garden Inn, 85 Glastonbury Boulevard, Glastonbury, Connecticut 06033. At the meeting, stockholders will consider and vote on the following matters:

1. The election of two (2) members to our board of directors to serve as Class II directors, each for a term of three years.

2. The ratification of the selection by the audit committee of our board of directors of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2005.

The stockholders will also act on any other business that may properly come before the annual meeting or any adjournment thereof.

Stockholders of record at the close of business on April 7, 2005 are entitled to notice of, and to vote at, the annual meeting or any adjournment thereof. Your vote is important regardless of the number of shares you own. Our stock transfer books will remain open for the purchase and sale of our common stock.

We hope that all stockholders will be able to attend the annual meeting in person. However, in order to ensure that a quorum is present at the meeting, please date, sign and promptly return the enclosed proxy card whether or not you expect to attend the annual meeting. A postage-prepaid envelope, addressed to EquiServe Trust Company, N.A., our transfer agent and registrar, has been enclosed for your convenience. If you attend the meeting, your proxy will, upon your written request, be returned to you and you may vote your shares in person.

All stockholders are cordially invited to attend the meeting.

By Order of the Board of Directors,

Thomas N. Tartaro
Secretary

Glastonbury, Connecticut

April 25, 2005

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND PROMPTLY MAIL IT IN THE ENCLOSED ENVELOPE IN ORDER TO ASSURE REPRESENTATION OF YOUR SHARES AT THE ANNUAL MEETING. NO POSTAGE NEED BE AFFIXED IF THE PROXY CARD IS MAILED WITHIN THE UNITED STATES.

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**OPEN SOLUTIONS INC.
455 Winding Brook Drive
Glastonbury, Connecticut 06033**

**PROXY STATEMENT
for the 2005 Annual Meeting of Stockholders
to be held on May 19, 2005**

This proxy statement and the enclosed proxy card are being furnished in connection with the solicitation of proxies by the board of directors of Open Solutions Inc. for use at the Annual Meeting of Stockholders to be held on Thursday, May 19, 2005 at 9:30 a.m., Eastern time, at the Hilton Garden Inn, 85 Glastonbury Boulevard, Glastonbury, Connecticut 06033, and at any adjournment thereof.

All proxies will be voted in accordance with the instructions contained in those proxies. If no choice is specified, the proxies will be voted in favor of the matters set forth in the accompanying Notice of 2005 Annual Meeting of Stockholders. Any proxy may be revoked by a stockholder at any time before it is exercised by delivery of written revocation to our Secretary or by appearing at the meeting and voting in person.

Our Annual Report to Stockholders for the fiscal year ended December 31, 2004 is being mailed to stockholders with the mailing of these proxy materials on or about April 28, 2005.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2004 as filed with the Securities and Exchange Commission, except for exhibits, will be furnished without charge to any stockholder upon written or oral request to David M. Henderson, Investor Relations Department, Open Solutions Inc., 455 Winding Brook Drive, Glastonbury, Connecticut 06033, telephone: (860) 652-3155. Exhibits will be provided upon request and payment of an appropriate processing fee.

Voting Securities and Votes Required

Stockholders of record at the close of business on April 7, 2005 will be entitled to notice of and to vote at the annual meeting. On that date, 19,497,571 shares of our common stock were issued and outstanding. Each share of common stock entitles the holder to one vote with respect to all matters submitted to stockholders at the meeting. We have no other securities entitled to vote at the meeting.

The representation in person or by proxy of at least a majority of the shares of common stock issued, outstanding and entitled to vote at the annual meeting is necessary to establish a quorum for the transaction of business. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

Directors are elected by a plurality of votes cast by stockholders entitled to vote at the meeting. To be approved, any other matters submitted to our stockholders, including the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm, require the affirmative vote of the majority of shares present in person or represented by proxy at the annual meeting. The votes will be counted, tabulated and certified by a representative of EquiServe Trust Company, N.A., our transfer agent and registrar. One of our employees will serve as the inspector of elections at the annual meeting.

Shares which abstain from voting as to a particular matter, and shares held in street name by banks or brokerage firms who indicate on their proxy cards that they do not have discretionary authority to vote those shares as to a particular matter, which we refer to as broker non-votes, will not be considered as present and entitled to vote with respect to a particular matter. Accordingly, neither abstentions nor broker non-votes will have any effect upon the outcome of voting with respect to any matters voted on at the annual meeting, but will be counted for the purpose of determining whether a quorum exists.

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Stockholders may vote in person or by proxy. Execution of a proxy will not in any way affect a stockholder's right to attend the meeting and vote in person. Any stockholder voting by proxy has the right to revoke the proxy at any time before the polls close at the annual meeting by giving our Secretary a duly executed proxy card bearing a later date than the proxy being revoked at any time before that proxy is voted or by appearing at the meeting and voting in person. The shares represented by all properly executed proxies received in time for the meeting will be voted as specified in those proxies. If the shares you own are held in your name and you do not specify in the proxy card how your shares are to be voted, they will be voted in favor of the election as directors of those persons named in this proxy statement, in favor of the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm and in favor of any other items that may properly come before the meeting.

If the shares you own are held in street name, the bank or brokerage firm, as the record holder of your shares, is required to vote your shares in accordance with your instructions. In order to vote your shares held in street name, you will need to follow the directions your bank or brokerage firm provides you.

Householding of Annual Meeting Materials

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and Annual Report to Stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you upon written or oral request to our Investor Relations Department, Open Solutions Inc., 455 Winding Brook Drive, Glastonbury, Connecticut 06033, telephone: (860) 652-3155. If you want to receive separate copies of the proxy statement or Annual Report to Stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

STOCK OWNERSHIP INFORMATION

The following table sets forth information regarding beneficial ownership of our common stock as of March 15, 2005, unless otherwise noted, by:

each person or entity that beneficially owns more than 5% of the outstanding shares of our common stock,

each of our directors,

our chief executive officer and our four other most highly compensated executive officers on December 31, 2004, and

all of our directors and executive officers as a group.

The number of shares of common stock beneficially owned by each person or entity is determined in accordance with the applicable rules of the Securities and Exchange Commission, or SEC, and includes voting or investment power with respect to shares of our common stock. The information is not necessarily indicative of beneficial ownership for any other purpose. Shares of our common stock issuable under stock options that are exercisable on or before May 14, 2005 or that may be delivered upon vesting of restricted stock units on or before May 14, 2005 are deemed beneficially owned for computing the percentage ownership of the person holding the options, but are not deemed outstanding for computing the percentage ownership of any other person. Unless otherwise indicated, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under community property laws. Unless otherwise indicated, the address of all directors and executive officers is c/o Open Solutions Inc., 455 Winding Brook Drive, Glastonbury, Connecticut 06033. The inclusion

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of any shares deemed beneficially owned in this table does not constitute an admission of beneficial ownership of those shares.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percentage of Common Stock Beneficially Owned
5% Stockholders		
Arbor Capital Management, LLC(2) One Financial Plaza 120 South Sixth Street Suite 1000 Minneapolis, MN 55402	1,774,200	9.11%
Wells Fargo & Company(3) 420 Montgomery Street San Francisco, CA 94104	1,937,602	9.95%
Directors and Named Executive Officers		
Louis Hernandez, Jr.(4)	669,363	3.32%
Andrew S. Bennett	126,254	*
Carl D. Blandino	94,816	*
Gary E. Daniel	80,130	*
James R. Kern	19,500	*
Douglas K. Anderson	64,902	*
Howard L. Carver	1,589	*
Dennis F. Lynch	589	*
Samuel F. McKay	4,569	*
Carlos P. Naudon(5)	198,842	1.02%
Richard P. Yanak	10,382	*
All directors and executive officers as a group (13 persons)	1,352,275	6.58%

* Less than 1% of our outstanding common stock.

- (1) Includes the following number of shares of our common stock issuable upon the exercise of outstanding stock options which may be exercised on or before May 14, 2005: Mr. Hernandez: 663,131; Mr. Bennett: 107,587; Mr. Blandino: 94,816; Mr. Daniel: 74,866; Mr. Kern: 19,218; Mr. Anderson: 9,199; Mr. Yanak: 9,793; and all directors and executive officers as a group: 1,059,641. Also includes the following number of restricted stock units that may vest and for which shares of our common stock may be delivered on or before May 14, 2005: Mr. Anderson: 589; Mr. Carver: 589; Mr. Lynch: 589; Mr. McKay: 589; Mr. Naudon: 589; and Mr. Yanak: 589.
- (2) Based solely on a Schedule 13G filed with the SEC on February 4, 2005.
- (3) Based solely on a Schedule 13G filed with the SEC on April 11, 2005, which presents information as of March 31, 2005. Consists of shares beneficially owned by the following three subsidiaries of Wells Fargo & Company: Wells Capital Management Incorporated, LLC, Wells Fargo Bank, National Association, and Wells Fargo Funds Management.

- (4) Includes 5,883 shares held by Wendy Hernandez, Mr. Hernandez's spouse.
- (5) Includes 20,689 shares held by The Enrique S. Naudon Trust, 20,689 shares held by The Ignacio S. Naudon Trust, 13,793 shares held by The Huguette Rivet Trust, 6,251 shares held by The Eric P. Steingass Trust dtd 12/22/97, 10,776 shares held by Allister & Naudon P/ S, Raymond James & Associates, Inc. CSDN FBO, Jeffrey W. Allister, 5,883 shares held by Raymond James & Assoc., Inc. Custodian FBO Jeffrey W. Allister P/ S and 2,883 shares held by Raymond James & Assoc., Inc. Custodian FBO Jeffrey W. Allister M/ P. Mr. Naudon, a director of Open Solutions, is a trustee of Allister & Naudon P/ S, Raymond James & Associates, Inc. CSDN FBO, Jeffrey W. Allister, Raymond James & Assoc., Inc. Custodian FBO Jeffrey W. Allister P/ S and Raymond James & Assoc., Inc.

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Custodian FBO Jeffrey W. Allister M/ P, and Susan Steingass, his spouse, is a trustee of The Enrique S. Naudon Trust, The Ignacio S. Naudon Trust, The Huguette Rivet Trust and The Eric P. Steingass Trust dtd 12/22/97. Mr. Naudon disclaims beneficial ownership of the shares held by The Enrique S. Naudon Trust, The Ignacio S. Naudon Trust, The Huguette Rivet Trust, The Eric P. Steingass Trust dtd 12/22/97, Allister & Naudon P/ S, Raymond James & Associates, Inc. CSDN FBO, Jeffrey W. Allister, Raymond James & Assoc., Inc. Custodian FBO Jeffrey W. Allister P/ S and Raymond James & Assoc., Inc. Custodian FBO Jeffrey W. Allister M/ P, except to the extent of his pecuniary interest therein.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and the holders of more than 10% of our common stock to file with the SEC initial reports of ownership of our common stock and other equity securities on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. Officers, directors and 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Except as reported below, based solely on a review of our records and written representations by the persons required to file these reports, all filing requirements of Section 16(a) were satisfied with respect to our most recent fiscal year.

On January 18, 2005, David Dame, a former director of ours, filed a Form 5 reporting six purchases of our common stock on the open market which occurred on November 23, 2004, December 3, 2004 (two purchases), December 4, 2004 and December 15, 2004 (two purchases). The six transactions reported on this Form 5 were the only transactions by Mr. Dame that were not reported on a timely basis during the fiscal year ended December 31, 2004.

On April 11, 2005, Gary E. Daniel, our Senior Vice President and General Manager, Credit Union Group, filed a Form 4 reporting the acquisition of 4,000 shares of our common stock pursuant to a stock option exercise that occurred on December 28, 2004. The transaction reported on this Form 4 was the only transaction by Mr. Daniel that was not reported on a timely basis during the fiscal year ended December 31, 2004.

PROPOSAL ONE ELECTION OF DIRECTORS

We have a classified board of directors consisting of three Class I Directors, two Class II Directors and two Class III Directors. At each annual meeting of stockholders, one class of directors is elected for a full term of three years to succeed those directors whose terms are expiring. The persons named in the enclosed proxy card will vote to elect, as Class II Directors, Douglas K. Anderson and Samuel F. McKay, the two director nominees, unless the proxy card is marked otherwise. Each Class II Director will be elected to hold office until the 2008 Annual Meeting of Stockholders and until his successor is elected and qualified.

If a stockholder returns a proxy card without contrary instructions, the persons named as proxies will vote to elect as directors the nominees identified above, each of whom is currently a member of our board of directors. The nominees have indicated their willingness to continue to serve if elected. However, if any director nominee should be unable to serve, the shares of common stock represented by proxies may be voted for a substitute nominee designated by our board of directors. Our board of directors has no reason to believe that either of the nominees will be unable to serve if elected.

For each member of our board of directors, including those who are nominees for election as Class II Directors, there follows information given by each concerning his age as of March 15, 2005, length of service as a member of our board of directors, principal occupation and business experience during the past five years and the name of other publicly held companies of which he serves as a director.

No director or executive officer is related by blood, marriage or adoption to any other director or executive officer. No arrangements or understandings exist between any director or person nominated for election as a director and any other person pursuant to which such person is to be selected as a director or nominee for election as a director.

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Nominees for Term Expiring at the 2008 Annual Meeting of Stockholders (Class II Directors)

Douglas K. Anderson, age 55, became a director in 1994.

Mr. Anderson has served as a director of Open Solutions since July 1994 and served as Chairman of the Board from December 1997 to March 2000. Mr. Anderson served as Chief Executive Officer of Open Solutions from December 1997 to November 1999 and as President from October 1995 to December 1997. From April 2004 to March 2005, Mr. Anderson served as a consultant to New Alliance Bank. From November 1999 to April 2004, Mr. Anderson served as a director and President of the Savings Bank of Manchester, a community bank. From December 1986 to October 1995, Mr. Anderson was also employed by the Savings Bank of Manchester and was responsible for all bank operations and information technology, including as Executive Vice President. Prior to joining the Savings Bank of Manchester, Mr. Anderson was employed for 14 years by Unisys Corporation, an international technology company.

Samuel F. McKay, age 65, became a director in 1995.

Mr. McKay has served as a director of Open Solutions since December 1995. Since April 1994, Mr. McKay has served as Chief Executive Officer of Axiom Venture Advisors, Inc., a venture capital firm. Previously, Mr. McKay was Managing General Partner of Connecticut Seed Ventures, L.P., a venture capital firm that invests in start-up companies. Mr. McKay is also a director of Anika Therapeutics, Inc., a medical devices company.

Directors Whose Term Expires at the 2006 Annual Meeting of Stockholders (Class III Directors)

Louis Hernandez, Jr., age 38, became a director in 1999.

Mr. Hernandez has served as Chairman of the Board of Open Solutions since March 2000 and as Chief Executive Officer since November 1999. From January 1998 to November 1999, Mr. Hernandez served as Executive Vice President of RoweCom Inc., an electronic commerce software vendor to the financial services, healthcare and academic markets. Mr. Hernandez served as RoweCom's Chief Financial Officer between February 1997 and November 1999. Prior to joining RoweCom, Mr. Hernandez served as the Chief Financial Officer and Corporate Secretary for U.S. Medical Instruments, Inc., a high technology medical device company. From 1990 to 1996, Mr. Hernandez worked in the business and advisory services group of Price Waterhouse LLP, an accounting firm.

Dennis F. Lynch, age 56, became a director in 2005.

Mr. Lynch has served as a director of Open Solutions since February 2005. From 1996 to September 2004, Mr. Lynch served as Chief Executive Officer and President of NYCE Corporation, an electronic banking services company. From 1994 to 1996, Mr. Lynch served as Executive Vice President and Chief Operating Officer of NYCE Corporation. Prior to NYCE Corporation, Mr. Lynch spent 13 years at Fleet Financial Group, first, in a variety of roles in Information Technology and subsequently, responsible for managing and developing Fleet's consumer payment products, including ATM card products and online banking. Mr. Lynch is a former chairman and director of the YANKEE24 network, as well as a former director of The Smart Card Forum, the Electronic Funds Transfer Association (EFTA) and the United Way of Bergen County.

Directors Whose Term Expires at the 2007 Annual Meeting of Stockholders (Class I Directors)

Howard L. Carver, age 60, became a director in 2004.

Mr. Carver has served as a director of Open Solutions since September 2004. In June 2002, Mr. Carver retired from Ernst & Young LLP, where he served for five decades in a variety of positions, including most recently as Office Managing Partner. During Mr. Carver's career at Ernst & Young, he also served as an auditor, a financial consultant, director of insurance operations in several offices, Regional Director of insurance operations, Associate National Director of insurance operations, Co-Chairman of Ernst & Young's International insurance committee and a member of the Ernst & Young National Insurance Steering Committee. Mr. Carver is a Certified Public Accountant and is a member of both the American Institute of

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Certified Public Accountants and the Connecticut Society of CPAs. Mr. Carver is also a director of Assurant, Inc., a provider of targeted specialized insurance products and related services. Mr. Carver also serves on the boards and/or finance committees of several civic/charitable organizations.

Carlos P. Naudon, age 54, became a director in 1994.

Mr. Naudon has served as a director of Open Solutions since September 1994 and served as Managing Director and Acting Chief Executive Officer of Open Solutions from March 1995 to October 1995, as Chairman of the Board from October 1995 to December 1997 and as Vice Chairman of the Board from December 1997 to 1998. Since January 1984, Mr. Naudon has served as President of Banking Spectrum, Inc., a banking consulting company. In addition, since April 1984, Mr. Naudon has been a partner at the law firm of Allister & Naudon.

Richard P. Yanak, age 70, became a director in 1996.

Mr. Yanak has served as a director of Open Solutions since May 1996. Since April 2000, Mr. Yanak has been retired. From October 1996 to April 2000, Mr. Yanak served as a consultant to NYCE Corporation, an electronic banking services company. From December 1987 to October 1996, Mr. Yanak served as President and Chief Executive Officer of NYCE Corporation.

Executive Officers

Andrew S. Bennett, age 39, became an executive officer in 2001.

Mr. Bennett has served as Senior Vice President and Chief Operating Officer of Open Solutions since June 2001. From December 1999 to May 2001, Mr. Bennett served as a Management Consultant at NexPress Solutions LLC, a Kodak/ Heidelberg joint venture providing digital printing solutions. From October 1997 to December 1999, Mr. Bennett served as Vice President and General Manager of Worldwide Service at Kodak Professional, a provider of imaging solutions. From November 1995 to October 1997, Mr. Bennett held various management positions with NCR Corporation, a provider of information technology solutions to the retail, financial and telecommunications industries, including as Assistant Vice President of Worldwide Multivendor Services and Director of Global Programs.

Carl D. Blandino, age 54, became an executive officer in 2002.

Mr. Blandino has served as Senior Vice President of Open Solutions since January 2004 and as Chief Financial Officer since January 2002, and served as Vice President from January 2002 to January 2004. From February 2000 to January 2002, Mr. Blandino served as Executive Vice President and Chief Financial Officer of Online Resources Corporation, a provider of online banking and bill payment services. From July 1998 to June 1999, Mr. Blandino served as Chief Financial Officer and Senior Vice President of Administration of Segue Software, Inc., an electronic commerce software provider. From February 1997 to March 1998, Mr. Blandino served as Chief Financial Officer of Per-Se Technologies, Inc., a health care systems integrator and software provider. From September 1992 to January 1997, Mr. Blandino served as the head of bill payment and call center operations for Online Resources Corporation, a provider of online banking and bill payment services. Mr. Blandino also spent over 10 years in public accounting in various management positions with Coopers & Lybrand and Deloitte Haskins & Sells, both international public accounting firms.

Gary E. Daniel, age 60, became an executive officer in 2001.

Mr. Daniel has served as Senior Vice President and General Manager, Credit Union Group of Open Solutions since November 2003 and served as Senior Vice President of Sales and Marketing from March 2001 to November 2003. From June 1989 to March 2001, Mr. Daniel served as Senior Vice President of the Community Banking Group of ALLTEL Information Services, Inc., a software and service provider to the financial services industry. From October 1987 to March 1989, Mr. Daniel served as Executive Vice President of First Operations Resources, Inc. (a subsidiary of M&T Bank), a provider of data processing services for community banks.

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James R. Kern, age 44, became an executive officer in 2003.

Mr. Kern has served as Senior Vice President and General Manager, Banking Group of Open Solutions since November 2003. From May 2000 to November 2003, Mr. Kern served as Vice President and General Manager of Syntegra (USA) Inc., a subsidiary of British Telecommunications plc, a provider of voice and data integration services to the financial trading market. From October 1995 to May 2000, Mr. Kern served as Regional Vice President of Sales and, subsequently, as Senior Vice President of Sales & Marketing of the Information Services Group of The BISYS Group, Inc., a provider of processing platforms for the financial services industry. From 1985 to 1995, Mr. Kern served in various management and sales roles with companies in the credit union industry.

David G. Krystowiak, age 55, became an executive officer in 2004.

Mr. Krystowiak has served as Senior Vice President and General Manager, Strategic Solutions Group of Open Solutions since November 2004. From January 2004 to October 2004, Mr. Krystowiak served as President of Still Point Advisors, LLC, an independent consulting firm focused on the development of strategic growth plans for small entrepreneurial businesses. From January 1988 to October 2003, Mr. Krystowiak held various positions with Fiserv, Inc., a provider of technology solutions to financial institutions, including most recently as Division President.

Michael D. Nicastro, age 46, became an executive officer in 1994.

Mr. Nicastro has served as Senior Vice President, Marketing and Product Management since November 2004 and as Senior Vice President since January 2002, and served as General Manager, Strategic Solutions Group of Open Solutions from December 2003 to November 2004, as General Manager, Delivery Systems Group from January 2002 to December 2003, as Vice President of Marketing from October 1996 to January 2002 and as Director of Marketing and Customer Services from September 1994 to October 1996. From February 1985 to September 1994, Mr. Nicastro held various product management positions with the Data Services Division of NCR Corporation, a provider of information technology solutions to the retail, financial and telecommunications industries. In addition, Mr. Nicastro served in various positions at Bristol Savings Bank, a Connecticut-based bank, and Citicorp, a bank holding company.

For additional information relating to our executive officers, see the disclosure regarding Mr. Hernandez set forth under the heading **Proposal One Election of Directors**. No arrangements or understandings exist between any executive officer and any other person pursuant to which such executive officer is to be selected as an executive officer.

For information relating to shares of our common stock owned by each of our directors, our top five most highly compensated executive officers and all directors and executive officers as a group, see the disclosure set forth under the heading **Stock Ownership Information**.

CORPORATE GOVERNANCE

General

We believe that good corporate governance is important to ensure that Open Solutions is managed for the long-term benefit of its stockholders. We regularly review our corporate governance policies and the practices of other public companies, as well as those suggested by various authorities in corporate governance. We have also considered the provisions of the Sarbanes-Oxley Act of 2002, the rules of the Securities and Exchange Commission and the listing standards of the Nasdaq Stock Market.

Board of Directors Meetings

The board of directors has responsibility for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. Our board of directors' primary responsibility is to oversee the management of the company and, in doing so, to serve the best interests of Open Solutions and its stockholders. The board of directors selects, evaluates and provides for the succession of executive officers and,

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subject to stockholder election, directors. It reviews and approves corporate objectives and strategies, and evaluates significant policies and proposed major commitments of corporate resources. Our board of directors also participates in decisions that have a potential major economic impact on Open Solutions. Management keeps the directors informed of company activity through regular communications, including written reports and presentations at board and committee meetings.

During the fiscal year ended December 31, 2004, our board of directors met fourteen times. Each of our directors attended at least 75% of the aggregate of the total number of meetings of the board of directors and the total number of meetings held by all committees of the board of directors on which he served during the fiscal year ended December 31, 2004. Resolutions adopted by the board of directors provide that directors are encouraged to attend our annual meetings of stockholders. Two of our directors, Messrs. Hernandez and Anderson, attended our 2004 Annual Meeting of Stockholders.

Board Determination of Independence

Under applicable rules of the Nasdaq Stock Market, a director will only qualify as an independent director if, in the opinion of our board of directors, that person does not have a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Our board of directors has determined that none of Messrs. Anderson, Carver, Lynch, McKay, Naudon or Yanak has a relationship which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is an independent director as defined under Rule 4200(a)(15) of the Nasdaq Stock Market, Inc. Marketplace Rules.

Board Committees

Our board of directors has established three standing committees—audit, compensation and nominations—each of which operates under a charter that has been approved by the board. Current copies of each committee's charter are posted on the Investor Relations section of our website, www.opensolutions.com.

The board of directors has determined that all of the members of each of the board's three standing committees are independent as defined under the rules of the Nasdaq Stock Market, including, in the case of all members of the audit committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934.

Audit Committee

The audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm,

overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of certain reports from such firm,

pre-approving audit and non-audit services to be provided by our independent registered public accounting firm,

reviewing and discussing with our management and independent registered public accounting firm our annual and quarterly financial statements and related disclosures,

monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics,

establishing policies regarding procedures for the receipt, retention and treatment of complaints and concerns regarding accounting, internal accounting controls or auditing matters,

meeting independently with our independent registered public accounting firm and management,

reviewing all related party transactions, and

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preparing the audit committee report required by SEC rules (which is included in this proxy statement).

The board of directors has determined that Douglas K. Anderson and Howard L. Carver are audit committee financial experts as defined in Item 401(h) of Regulation S-K. The members of the audit committee are Messrs. Anderson, Carver (chairman) and McKay. The audit committee met fourteen times during 2004.

Compensation Committee

The compensation committee's responsibilities include:

annually reviewing and approving corporate goals and objectives relevant to CEO compensation,

determining our CEO's compensation,

reviewing and approving, or making recommendations to the board of directors with respect to, the compensation of our other executive officers,

overseeing an evaluation of our senior executives,

overseeing and administering our cash and equity incentive plans, and

reviewing and making recommendations to the board of directors with respect to director compensation.

The members of the compensation committee are Messrs. Anderson, McKay (chairman) and Yanak. The compensation committee met four times during 2004.

Nominations Committee

The nominations committee's responsibilities include:

identifying individuals qualified to become members of our board of directors, and

recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees.

The members of the nominations committee are Messrs. Carver, Naudon and Yanak (chairman). The nominations committee met five times during 2004.

Director Nomination Process

The process followed by the nominations committee to identify and evaluate director candidates includes requests to current directors and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the nominations committee and the board of directors.

In considering whether to recommend any particular candidate for inclusion in the board of directors' slate of recommended director nominees, the nominations committee applies the criteria attached to its charter. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, age, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. The nominations committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the board of directors to fulfill its responsibilities.

Stockholders may recommend individuals to the nominations committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date

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such recommendation is made, to Nominations Committee, c/o Secretary, Open Solutions Inc., 455 Winding Brook Drive, Glastonbury, Connecticut 06033. Assuming that appropriate biographical and background material has been provided on a timely basis, the nominations committee will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. If our board of directors determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in the proxy card for the next annual meeting of stockholders.

Stockholders also have the right under our by-laws to directly nominate director candidates, without any action or recommendation on the part of the nominations committee or the board of directors, by following the procedures set forth in the second paragraph under **Stockholder Proposals** below. Candidates nominated by stockholders in accordance with the procedures set forth in our by-laws will not be included in the proxy card for the next annual meeting of stockholders.

Communicating with the Independent Directors

The board of directors will give appropriate attention to written communications that are submitted by stockholders, and will respond if and as appropriate. The chairman of the nominations committee, with the assistance of our general counsel, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the chairman of the nominations committee considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to our board of directors should address such communications to Board of Directors, c/o Secretary, Open Solutions Inc., 455 Winding Brook Drive, Glastonbury, Connecticut 06033.

Compensation of Directors

Each of our non-employee directors is paid an annual retainer consisting of (i) \$12,000 in cash and (ii) restricted stock units granted pursuant to our 2003 Stock Incentive Plan with an initial value of \$12,000. The number of restricted stock units granted is determined by dividing \$12,000 by the last sale price of our common stock on the Nasdaq National Market on the date of grant. The restricted stock units vest on the earlier of (i) the date on which the non-employee director leaves the board of directors and (ii) the ninth anniversary of the January 1 immediately following the date of grant. Each non-employee director may elect to receive all or part of the cash portion of the annual retainer in the form of restricted stock units as described above.

Each non-employee director also receives an amount equal to \$1,000 for each board meeting that the non-employee director personally attends, or \$750 for each board meeting that the non-employee director participates in by telephone. In addition, each non-employee director who serves on the audit committee receives an annual retainer of \$6,000 and each non-employee director who serves on the compensation and nominations committees receives an annual retainer of \$4,000. The chairman of the audit committee receives an additional \$5,000 per year, and the chairmen of the compensation and nominations committees each receive an additional \$2,500 per year.

Each non-employee director will also receive (i) upon initial election to the board of directors, an option to purchase 15,000 shares of our common stock, (ii) on the date of the 2005 Annual Meeting of Stockholders, an option to purchase 15,000 shares of our common stock (except for Mr. Carver, who will receive 5,000 shares because he received a grant of 15,000 shares upon initial election to the board of directors in 2004, which the other non-employee directors did not receive), and (iii) on the date of each annual meeting of stockholders after the 2005 Annual Meeting of Stockholders, an option to purchase 5,000 shares of our

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common stock. Such options will have an exercise price equal to the last sale price of our common stock on the Nasdaq National Market on the date of grant. One-third of the shares of common stock underlying each option will be exercisable one year after the date of grant, and the remaining shares will vest monthly thereafter over a two-year period.

We reimburse our non-employee directors for reasonable out-of-pocket expenses incurred in attending board or committee meetings. No director who is also an employee of ours receives separate compensation for services rendered as a director. Mr. Hernandez's compensation for service as our chief executive officer is discussed under the heading Information About Executive Compensation.

Certain Relationships and Related Transactions

We have adopted a policy providing that all material transactions between us and our officers, directors and other affiliates must be:

approved by a majority of the members of our board of directors,

approved by a majority of the disinterested members of our board of directors, and

on terms no less favorable to us than could be obtained from unaffiliated third parties.

For executive officer compensation and option exercise information, see Information About Executive Compensation Compensation of Executive Officers and Information About Executive Compensation Report of the Compensation Committee.

Table of Contents**INFORMATION ABOUT EXECUTIVE COMPENSATION****Compensation of Executive Officers**

Summary Compensation Table. The following table sets forth certain information concerning annual and long-term compensation for services rendered to us for the fiscal years ended December 31, 2002, 2003 and 2004, by our chief executive officer and our four other most highly compensated executive officers who were serving as executive officers on December 31, 2004.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation		
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards(1)	Number of Securities Underlying Options	All Other Compensation
Louis Hernandez, Jr. Chairman of the Board and Chief Executive Officer	2004	\$ 321,200	\$ 160,600	\$ 1,148(2)		100,000	\$ 5,756(3)
	2003	\$ 321,200	\$ 260,000	\$ 1,239(2)	\$ 984,018	103,448	\$ 5,756(3)
	2002	\$ 311,467	\$ 140,000			120,689	\$ 5,707(4)
Andrew S. Bennett Senior Vice President and Chief Operating Officer	2004	\$ 202,500	\$ 110,000			50,000	\$ 2,025(5)
	2003	\$ 190,000	\$ 86,000		\$ 134,412	55,172	\$ 2,000(5)
	2002	\$ 190,000	\$ 54,492			6,896	\$ 2,000(5)
Carl D. Blandino Senior Vice President and Chief Financial Officer	2004	\$ 190,000	\$ 95,000			50,000	\$ 1,892(5)
	2003	\$ 180,000	\$ 145,000		\$ 195,507	34,482	\$ 2,000(5)
	2002	\$ 173,585	\$ 62,200	\$ 33,231(6)		110,334	\$ 1,736(5)
Gary E. Daniel Senior Vice President and General Manager, Credit Union Group	2004	\$ 200,000	\$ 100,000			50,000	\$ 2,000(5)
	2003	\$ 200,000	\$ 121,000		\$ 158,850	48,275	\$ 2,000(5)
	2002	\$ 187,500	\$ 100,000			6,896	\$ 2,000(5)
James R. Kern(7) Senior Vice President	2004	\$ 190,000	\$ 140,100			6,111	\$ 1,900(5)
	2003	\$ 23,750	\$ 5,195			82,758	
	2002						

and General
Manager,
Banking Group