

**PIONEER SAVINGS BANK**

*LEGAL DEPARTMENT*

Frank C. Sarratori, Esq.

Senior Vice President and General Counsel

21 Second Street

Troy, New York 12180

518-274-4800 ~ Fax 518-274-7169

TO: CONSUMER PROTECTION BOARD  
SECURITY BREACH NOTIFICATION

FROM: FRANK C. SARRATORI, ESQ.  
SENIOR VICE PRESIDENT, GENERAL COUNSEL  
& CHIEF COMPLIANCE OFFICER

FAX NO. 518-474-2474

NO. OF PAGES (*including cover*): Three

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Pioneer Savings Bank - 21 Second Street, Troy, NY 12180-3999 - tel: 518.274.4800 - fax: 518.274.1060

www.pioneersb.com - info@pioneersb.com

Member FDIC. Equal Housing Lender 

**Reporting Form**  
**For Business, Individual or NY State Entity reporting a**  
**"Breach of the Security of the System"**  
**Pursuant to the Information Security Breach**  
**and Notification Act (General Business Law §669-aa;**  
**State Technology Law §208)**

Name of Business, Individual or State Entity: Pioneer Savings Bank  
Date of Discovery of Breach: September 16, 2006  
Estimated Number of Affected Individuals: Four  
Date of Notification to Affected Individuals: September 20, 2006  
Manner of Notification:     written notice  
   electronic notice (email)  
   telephone notice

Are you requesting substitute notice?  Yes     No (If yes, attach justification)

Content of Notification to Affected Individuals: Describe what happened in general terms and what kind of information was involved. Please attach copy of Notice.

Please see attached notice with description of what happened in  
general terms and kind of information involved.

Name of Business or Individual Contact Person: Alicia A. Riegert  
Title: Senior Vice President, Chief Information Officer  
Telephone number: 518-274-4800  
Email: Riegerta@pioneersb.com

Dated: September 22, 2006  
Submitted by: Frank C. Sarratori, Esq.  
Title: Senior Vice President, General Counsel, Chief Compliance Officer  
Address: 21 Second Street, Troy, NY 12180  
Email: Sarratorif@pioneersb.com  
Telephone: 518-274-4800                      Fax: 518-274-7169

Dear:

I am writing as a follow up to our telephone conversation yesterday. As I mentioned when we spoke, it has come to our attention that for a short period of time on Saturday, September 16, 2006, a few Online Banking customers were inadvertently provided with certain, limited, information about accounts that did not belong to them. Unfortunately, your information was among that which was incorrectly provided. This incident occurred due to a system failure with our service provider, and not through any malicious or purposeful intent by any individual to gain access to your information.

The information believed to have been provided relates to your checking account. The specific personal and private information that is believed to have been viewed is an online image of check number XXX relating to your account number XXXXX and the balance of said account. In no case was your social security number provided and there were absolutely no transactions performed on your account.

We deeply regret this situation occurred and, I can assure you, have taken the necessary steps to ensure that the cause of this breach has been rectified. If you have any questions whatsoever, please feel free to contact me at 274-4800. Pioneer Savings Bank takes great pride in its customer service and this unacceptable incident is one that we take very, very seriously. I hope you will accept my sincere apology.

Very truly yours,

Alicia A. Riegert  
Senior Vice President  
Chief Information Officer