

MYSTIC STAMP CO.
(315) 245-2690 EXT. 2128
(315) 245-0036 FAX
kimbaker@mysticstamp.com

FACSIMILE TRANSMITTAL SHEET

TO:
Security Breach Notification

FROM:
Kim Baker

COMPANY:
CPB

DATE:
9/7/06

FAX NUMBER:
(518) 474-2474

TOTAL NO. OF PAGES INCLUDING
COVER:
3

PHONE NUMBER:

SENDER'S REFERENCE NUMBER:

RE:

YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

To Whom It May Concern:

Recently Mystic Stamp Co. had a few of our customer's credit cards compromised. We believe we have contacted all individuals that were affected by this compromise. We have shut down our website's shopping cart and are working on repairing the problem that allowed the compromise to happen. We will not be opening our shopping cart again, until we are confident that we are meeting the proper standards.

If you have any further questions or if Mystic Stamp Co. needs to do anything else, please let me know.

Regards,
Kim Baker
Finance Supervisor

9700 MILL STREET
CAMDEN, NY 13316

**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 §889-aa;
 State Technology Law §208)**

Name of Business, Individual or State Entity: Mystic Stamp Co., Inc.
 Date of Discovery of Breach: 8/29/06
 Estimated Number of Affected Individuals: 13
 Date of Notification to Affected Individuals: see below
 Manner of Notification: written notice 9/10/06
 electronic notice (email)
 telephone notice 8/30/06 → 9/1/06

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.

Our website suffered an SQL injection attack. Attackers were able to hack into our website database & see customers name, address, credit card number & expiration date. The special security code is not requested so it was not compromised.

Name of Business or Individual Contact Person: Kim Baker
 Title: Finance Supervisor
 Telephone number: (315) 245-2690 x 2128
 Email: Kimbaker@mysticstamp.com

Dated: 9/7/06
 Submitted by: Kim Baker
 Title: Finance Supervisor
 Address: 9700 Mill St. Camden, NY 13316
 Email: Kimbaker@mysticstamp.com
 Telephone: (315) 245-2690 Fax: (315) 245-3961

September 5, 2006

[REDACTED]
[REDACTED]
[REDACTED]
Dear [REDACTED]

I'm writing to you because of a recent security incident at Mystic Stamp Company. As you know, your bank noticed suspicious activity on your credit card and has closed your credit card account. We believe someone exploited a weakness in computer software on the Mystic website and was able to access your recent order including your name, address, credit card number and expiration date.

The software flaw allowed unauthorized persons aware of the flaw to see the information our customers gave us while ordering stamps. We believe fewer than 20 customers were affected.

In response to this incident, we are working with our Internet Service Provider and our web developer to resolve the issue. At this time, we have disabled the charge card function on our website.

I'm very sorry this breach of our website allowed your information to be stolen. We seek to protect your personal information and are concerned about this situation.

You are a valued Mystic customer and collector-friend. Please accept this gift of 1000 Profit Shares as a thank you for your patience and understanding.

Sincerely Yours,

Charles Keil
Customer Service Manager
Mystic Stamp Company

P.S. If you have questions about the information in this letter, call Mystic at the toll free number listed below and ask for Jane Kessler in our Credit Department.