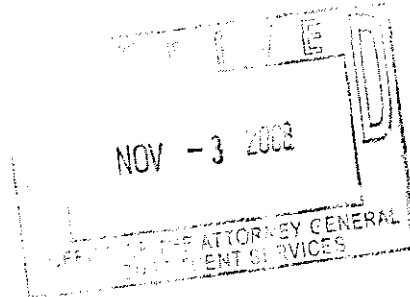




Mr. Bob McDonnell
Attorney General
Office of the Attorney General
900 E. Main Street
Richmond, VA 23219



October 29, 2008

Dear Attorney General McDonnell:

Please be advised that we were recently informed of a breach of security of our company's personnel files on October 22, 2008. The personnel files were inadvertently made available to the public through the theft of an employee's laptop computer which contained files with the personal information. The files likely contain employees' names, addresses, telephone numbers, social security numbers, dates of birth, and salary information.

At this time, we are not aware of any improper use of the personal information contained in the files. It appears that six hundred twenty-one (621) individuals could have been affected, including one (1) individual who is a resident of your state. We are in the process of notifying affected individuals in many other states and plan to begin notifying the affected individuals in Virginia in the next several days. A draft copy of the notification that will be sent is attached.

As set forth in the letter, we have taken numerous steps to protect the security of the personal information of the affected individuals, including implementing additional quality controls to avoid similar incidents in the future. These controls include enhanced security measures that limit remote use to specifically designated individuals and/or files.

If you require any additional information on this matter, please contact me.

Sincerely,

Diane Holland
Chief Financial Officer
Schematic, Inc.



<Name>
<Address>
<City><State><Zip>

October <Date>, 2008

Dear <Name>,

As we informed you earlier this week by email, Schematic recently discovered that the security of some personnel files has been compromised. This letter is intended to give you additional information about what happened, and outline steps that you can take to minimize the risk of identity theft.

On October 22, 2008 an employee's laptop computer containing files with your personal information was stolen. The files likely contain your name, address, telephone number, social security number, date of birth, and salary information.

At this time, we are not aware of any improper use of the information contained in the files. That said, we take any loss of private data very seriously and have taken steps to help protect you and your personal information. We have arranged to offer you identity and credit monitoring services for one year, at Schematic's expense. **If you wish to take advantage of this offer, please review the ITAC Sentinel™ Plus enrollment details included with this letter.**

We are also implementing additional quality controls to avoid similar incidents in the future. These controls include enhanced security measures that limit remote use to specifically designated individuals (or files).

You should also know that everyone has the right to obtain a free copy of their credit report once a year from each credit reporting agency. You can do this by contacting one of the agencies listed below, by visiting www.annualcreditreport.com, or by calling toll free 877-322-8228. Hearing impaired consumers can access TTD service at 877-730-4104. You can order one, two, or three reports at the same time, or you may stagger your requests over a 12-month period to keep an eye on the information in your reports.

The three credit bureaus are:

Equifax
877-478-7625
www.equifax.com

Experian
888-397-3742
www.experian.com

TransUnion
800-680-7289
www.transunion.com

14875 La Cienega Blvd
Los Angeles, CA 90048

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www.schematic.com



You also have the right to place an initial “fraud alert” on your credit file. A fraud alert lets creditors know that they should contact you before they open a new account in your name. You can do this by calling any one of the three credit reporting agencies at the numbers listed above, which will let you automatically place fraud alerts with all three agencies. The fraud alert will stay on your account for ninety days. After that, you can renew the alert for additional ninety-day periods by calling anyone of the three agencies. *Note, if you plan on signing up for ITAC Sentinel™ Plus, don't place a fraud alert until after enrollment. The fraud alert can hinder your enrollment.*

Whatever steps you choose to take, when you receive a copy of your credit report, make sure to look it over carefully. In particular, review the report for accounts you did not open, inquiries from creditors that you did not initiate, and any inaccurate personal information, such as home address, employment or social security numbers.

If you see anything that you do not understand, call the credit agency at the number listed on the report. If you do find suspicious activity on your credit report, the next step is to call your local police department and the Federal Trade Commission, and file a report of identity theft. We encourage you to always be vigilant about protecting yourself from fraud and identity theft.

For additional information on how to avoid identity theft, please contact the Federal Trade Commission and <state> Attorney General's Office at:

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580

www.ftc.gov

1-877-382-4357/TTY: 1-866-653-4261

<State> Attorney General's Office

<Address>

<City> <State> <Zip>

<Website>

<Telephone Number>

If you have additional questions about this incident or for additional assistance, please contact the Talent representative in your local office.

Please trust that we take the protection of your information very seriously. We apologize for any inconvenience this may cause you, and sincerely hope that no one will be directly affected by this incident.

Sincerely,

<Name>

<Title>

<Company>



Complementary offer for identity theft protection service

At our expense, Schematic would like to offer you a free 12-month subscription to a credit monitoring and identity theft protection service called *ITAC Sentinel™ Plus*. This service will give you access to a copy of your credit report, monitor your credit files at all three major credit reporting agencies, and notify you of certain suspicious activities that could indicate potential identity theft. This program is provided by Intersections Inc., a leading provider of identity theft protection and recovery services.

ITAC Sentinel™ Plus features include:

- 3-Bureau Credit Report
- 3-Bureau Daily Monitoring & Notify Express® Alerts
- 3-Bureau Credit Analyzer
- 3-Bureau Credit Scores and Analysis
- Quarterly Credit Update with Updated Scores
- ITAC Victim Assistance
- Card Theft Protection
- Credit Education Specialists
- Up to \$20,000 identity theft insurance at no additional cost to you*

If you wish to take advantage of this comprehensive monitoring service, you must enroll by January 31, 2009.

How to enroll in ITAC Sentinel™ Plus

To activate this coverage please visit the URL listed below and enter the redemption code.

URL: www.itacsentinel.com/XXXXXXX
Redemption Code: XXXXXXXXXXXXX

When logging on to enroll, you will need to provide the following information:

- Mailing Address
- Phone Number
- Social Security Number
- E-mail Address
- Redemption Code

Again, we apologize again for any inconvenience and urge you to enroll today. If you have any further questions regarding this incident, please contact your local Talent team representative.

*Insurance underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on underwriting qualifications and state regulations. Coverage not available for residents of New York.