



CROWE & DUNLEVY
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Judy Hamilton Morse
Direct Tel: (405) 235-7759
Direct Fax: (405) 272-5242

judy.morse@crowedunlevy.com

December 4, 2008

Via Federal Express

Virginia Office of the Attorney General
900 East Main Street
Richmond, VA 23219

Re: Security Breach Notification

To Whom It May Concern:

Pursuant to VA Code 18.2-186.6, we are writing to notify you of a recent data security breach event involving certain information held by our client Harold's Stores, Inc. ("Harold's") and by Gordon Brothers.

On November 21, 2008, Harold's learned about an unauthorized disclosure of Harold's Stores employee social security numbers. An electronic employee roster that included each employee's social security number was forwarded to a representative of Gordon Brothers, Harold's consultant that is conducting going-out-of-business sales for Harold's, for its use in connection with the liquidation sales. An employee of Gordon Brothers inadvertently forwarded the file with the social security numbers to several of Harold's stores and posted it on a Gordon Brothers' internal database site. Although the persons to whom this information was disclosed generally have authorized access to some of this information, they have not in the past had access to the social security numbers of all employees.

Upon learning of this disclosure, Harold's immediately directed the stores and Gordon Brothers to delete this file from their systems and provided instruction to prevent any further disclosure of this information. Telephone calls were placed to each recipient of the file, each of which was instructed to delete the file.

We are sending this notice to you because there were twenty-four (24) Virginia residents whose social security numbers were included in the disclosed employee roster.

A copy of the form of notice that is being sent to Virginia residents is attached for your reference.

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Please do not hesitate to contact Harold's representative Ms. Ivon Pearce at 800-949-3533, Extension 146 or 214-366-0600 should you require any additional information or if you should have any further questions regarding this notification.

Very truly yours,


Judy Hamilton Morse

cc: Ms. Ivon Pearce
w/ enclosure

Form 1

[Company Letterhead]

[Date]

[Customer Name/Company/Address]

Dear *[name]*:

On November 21, 2008, we learned about an unauthorized disclosure of employee social security numbers. An electronic employee roster that included each employee's social security number was forwarded to a representative of Gordon Brothers, Harold's consultant that is conducting the going-out-of-business sales, for its use in connection with the liquidation sales. An employee of Gordon Brothers inadvertently forwarded the file with the social security numbers to several of Harold's stores and posted it on a Gordon Brothers' internal database site. Although the persons to whom this information was disclosed generally have authorized access to some of this information, they have not in the past had access to the social security numbers of all employees. I am contacting you because your social security number is one of those disclosed in this manner.

Upon learning of this disclosure, the company immediately directed the stores and Gordon Brothers to delete this file from their systems and provided instruction to prevent any further disclosure of this information. Telephone calls were placed to each recipient of the file, each of which was instructed to delete the file.

Although we do not have any evidence that your information has been misused, and we believe that the likelihood of such misuse is low, particularly since all of the recipients of the file are subject to confidentiality agreements, and are among a group that routinely has access to a variety of company confidential information, for your protection and in an abundance of caution, we are informing you about this incident so that you may properly evaluate what actions you wish to take in this matter.

To help you detect the possible misuse of your personal information, Gordon Brothers is paying to provide you with a one year membership in Experian's Triple AlertSM credit monitoring product at no cost to you. Triple AlertSM will monitor your credit reports at the three national credit reporting companies: Experian[®], Equifax[®] and TransUnion[®] and notify you of key changes. Triple AlertSM is a tool that will help you identify potentially fraudulent use of your information. Your Triple AlertSM membership will be paid for the first year. If you wish to continue your membership in this service beyond the end of the first year, you will need to contact Experian to make arrangements, including paying any costs, for any extended period.

You have ninety (90) days from the date of this letter to activate this membership, which will then continue for 12 full months. We encourage you to activate your credit monitoring membership as soon as possible.

The web site to enroll in Triple Alert and your individual activation code are both listed below. To sign up, please visit the web site and enter your individual activation code. Please keep in mind that once activated, the code cannot be re-used for another enrollment. The web site will guide you through the process of enrolling in Triple Alert. If you need technical assistance, please call (866) 252-0121.

Triple Alert Web Site: <http://partner.consumerinfo.com/triple>

Your Activation Code: **[insert Activation Code]**

If you wish to enroll over the phone for delivery of your membership via US mail, please call (866) 252-0121.

We have also included, for your reference as Attachment 1, additional information relating to steps that the U.S. Federal Trade Commission suggests that individuals can take to combat identity theft and instructions on where you can locate additional information.

Please accept our sincerest apologies for any inconvenience and concern that this situation may cause. Should there be any questions regarding this notice and this incident, please call 1-866-262-0048 or write me at Ivon Pearce, 5919 Maple Avenue, Dallas, Texas 75235; 800- 949-3533, Extension 146 or 214-366-0600.

Sincerely,

Ivon Pearce

Attachment 1

Additional Information

In addition to monitoring your credit through the Experian service and remaining vigilant by reviewing account statements, you may request a fraud alert, which initially stays active for 90 days and which tells creditors to take reasonable steps to verify your identity before opening new accounts. To do this, you will need to contact Experian at (888) 397 3742, and they will notify the other two credit reporting agencies, who will also place a fraud alert on your credit file. You will then receive letters from all of them, with instructions on how to get a free copy of your credit report from each. If you need to contact any of these agencies, you may do so at the following numbers:

Experian: 1-888-397-3742; www.experian.com; P.O. Box 9532, Allen, TX 75013

Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241

TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790.

You may also take additional steps to protect yourself against potential misuse of data that has been the subject of a data security incident. The Federal Trade Commission (FTC) discusses several steps, including obtaining and reviewing your credit report, filing a fraud alert (as discussed above) and requesting a "credit freeze." The most current and detailed information on protecting yourself against potential misuse of data is available online (see www.ftc.gov/idtheft for general information), but if you are not able to access the online material, you may contact the FTC by mail at Federal Trade Commission, CRC-240, Washington, D.C. 20580, or by toll-free number, 1-877-FTC-HELP (382-4357) or 1-877-ID-THEFT (438-4338).