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STATE OF
CONSUMER PROTECTION
Jon A. Neiditz
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Fax: 404.322.6033
jon.neiditz@nelsonmullins.com

July 11, 2008

VIA FIRST CLASS MAIL

Office of Consumer Protection of Hawaii
Attn: Security Breach Notification
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 801
Honolulu, Hawaii 96813

Re: Data Breach at Colt Express Outsourcing, Inc.

Dear Sir or Madam:

We write to inform you of a recent data security incident on behalf of our client, 24 Hour Fitness USA, Inc. ("24 Hour Fitness"). 24 Hour Fitness recently received the attached letter from Colt Express Outsourcing Services, Inc. ("Colt"), who previously provided our client with employee benefit plan administrative services for approximately ten (10) years until 2006, when the relationship was terminated. Colt has determined that the breach may have affected the names and Social Security numbers of one thousand five hundred six (1,506) residents in your state.

Colt informed our client by this letter that Colt's offices at 2125 Oak Grove Road, Suite 210, Walnut Creek, California 94598 were burglarized. According to Colt, certain computer equipment was taken which contains the human resources data of several of Colt's clients, including 24 Hour Fitness. The theft of such equipment may have compromised the personal information of our client's current and former employees and their dependents, and our client is working to understand the extent of any exposure for its current and former employees. Our client has demanded the return of any other sensitive information that may still be in Colt's possession to ensure that Colt can cause no additional harm to its current and former employees and their dependents.

Colt has provided us with information on what was stored on the stolen equipment. The information included first names, last names and Social Security numbers of our client's current and former employees, and their dependents. We do not have any indication that the computers stored protected health information.

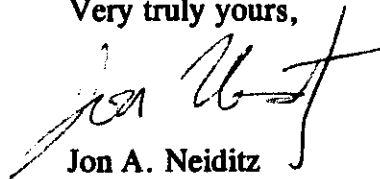
July 11, 2008

Page 2

Our client is providing written notification to all affected residents of Hawaii to the last home address our client has on record, and a sample of our notification letter is also enclosed. Although there is no evidence of misuse of the data to date, our client's notification will also inform affected individuals that it has contracted with ConsumerInfo.com, Inc., an Experian® company, to provide Triple AlertSM, a monitoring product, for one full year at no cost.

Please do not hesitate to contact me at (404) 322-6139 if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jon A. Neiditz", is written over the typed name.

Jon A. Neiditz

JAN:pb
Enclosures



people. process. profit.

June 4, 2008

Art Morris
24 HOUR FITNESS
12647 ALCOSTA BLVD., SUITE 500
SAN RAMON, CA 94583-

Re: Notice of Potential Data Security Breach on May 26, 2008

Dear Art Morris,

Colt Express Outsourcing Services, Inc. ("Colt Express"), previously provided your company benefit plan administration services. We write to notify you of a potential data security breach involving the personal information of some of your current and former employees and their dependents during the time period of 01-Oct-97 to 31-Dec-06.

Enclosure 1 is a breakdown by state of the total number of your current or former employees and their dependents who could be affected by this incident.

The breach occurred on Memorial Day, Monday, May 26, 2008, between approximately 4:30 p.m. and 5:00 p.m. PST, when someone broke into Colt Express's office at 2125 Oak Grove Road, Suite 210, Walnut Creek, California, 94598

Upon discovery the next morning, the break in and theft were reported immediately to the Walnut Creek Police Department, report number 08-12367. Subsequently, Colt Express has followed up with Walnut Creek PD and the REACT High Tech Crimes Task Force in Silicon Valley. Colt Express will continue to follow up and work with law enforcement about the incident. At this time, we do not know if personal data has been accessed or misused.

We understand that you will need to notify your current and former employees, whose information may have been exposed, about this incident. Kroll, Inc., a leading risk consulting company that provides data breach response services, informs us that even though employer companies have a reasonable time in which to notify, they too often react too quickly and notify their employees before a plan is in place to ensure an orderly response process. Thus creating unnecessary, additional consternation among affected individuals. Kroll, Inc., encourages that the notification be made properly as opposed to quickly, and after a sound solution and response plan is in place and ready to execute.

2125 Oak Grove Road, Suite 210 Walnut Creek, CA 94598-3400
800.265.8397 www.coltHR.com

We will send you the data which may have been compromised in an Excel format. When you are ready to receive it, have the authorized individual send an email from your company's domain to us at datarequest@coltHR.com with the following text in the subject line: "Data Request." Colt Express will then "reply" to that address using Tumbleweed's Secure Messaging product. The "reply" recipient will first receive an email notification from us. By pressing the button "view report" on the email, the recipient will be directed to our secure server and will be able to download your file with SSL protection. Once you receive the data from us, you should feel free to verify that the employee information that we have that you provided to us is consistent with your information.

As a courtesy, Enclosure 2 is a "Sample Individual Notification Letter" containing information about the incident. Some states have different content requirements for individual notification letters. We do not represent that this letter meets all of those state requirements. Therefore, do not simply use this letter; you should consult with legal counsel for the appropriate content for your individual letters by state. You may want to engage a company that provides comprehensive data breach response services, such as written notification to the affected individuals; credit reports and monitoring; fraud investigation; and restoration services. Such companies can ensure an orderly and proper individual notification process that greatly reduces the stress and anxiety often associated with such data breach incidents.

For your convenience, Enclosure 3 provides information about Kroll, Inc., the risk consulting company mentioned above, and the data breach response services it provides. You should, of course, choose the company you wish to work with. We enclose Kroll, Inc.'s information only out of courtesy and to give you an idea of the types of services available.

Some states may require your company to send written notification of this data security breach incident to their particular state regulatory agencies or credit bureaus. Again, you should consult with legal counsel to determine which states require such written notification and the appropriate content of such notification.

Colt Express takes the protection of its customer and personal information very seriously. Colt Express is taking steps to ensure that a potential data security breach does not occur in the future. We installed an alarm system Friday, May 30th. Colt Express is looking into what additional steps may be taken to provide enhanced security.

By this letter and enclosures, we are providing you with all the information we believe you need, and that we are able to give you. We do not have the resources, financial and otherwise, to assist you further. Towards the end of last year, our customer base was reduced to an unsustainable level. Colt has been in the process of going out of business, while at the same time providing time for remaining customers to find alternative solutions. Those decisions are now final.

We are firmly committed to protecting all of the information that is entrusted to us both before and after we close down. We sincerely apologize for the inconvenience and concern this incident will cause. When you have any additional questions about this incident, please call me at (925) 927-5440. I will respond to your call just as soon as I am able to do so.

Sincerely,

Sam/ef
Samuel G. Colt III
Chief Executive Officer
Colt Express Outsourcing Services, Inc.
Encls.

2125 Oak Grove Road, Suite 210 Walnut Creek, CA 94598-3400
800.265.8397 www.colthR.com



July 10, 2008

VIA FIRST CLASS MAIL

«FIRSTNAME» «LASTNAME»
«ADDRESS2»
«ADDRESS1»
«CITY», «STATE» «Zip»

Dear «FIRSTNAME» «LASTNAME»,

24 Hour Fitness USA, Inc. ("24 Hour Fitness") takes the privacy of its current and former employees and their dependents very seriously. We are writing to let you know that your name and Social Security number may have been subject to unauthorized access as a result of a break-in and theft of computers at the offices of Colt Express Outsourcing Services, Inc. ("Colt"), one of our former external benefit administration vendors. Even though we have no evidence that your information has been accessed or misused, we want to make you aware of the incident and the steps we have taken and you should take to guard against identity theft. We have demanded the return of any other 24 Hour Fitness information that may still be in Colt's possession, to prevent any similar incident in the future.

We have engaged ConsumerInfo.com, Inc., an Experian® company, to provide you with one full year of credit monitoring, at no cost to you. This product is known as Triple AlertSM. If you are interested in enrolling in this product, please call the 24 Hour Fitness Service Center at 1-866-772-9560.

To further safeguard yourself against identity theft or other unauthorized use of personal information, you can take some simple steps. First, you can always review your credit card bills, account statements and credit reports for unauthorized activity. You should also promptly report any suspected identity theft or fraud to your local law enforcement agency, the U.S. Federal Trade Commission, your financial institution and to the Fraud Alert phone line of one of the three national consumer reporting agencies by calling:

Experian:	1-888-397-3742
Equifax:	1-800-525-6285
TransUnion:	1-800-680-7289

You may obtain a 90-day Fraud Alert status on your credit record by calling one of the credit reporting agencies above.

You have the right to obtain a police report if you are or become a victim of identity theft. You may wish to contact your credit card issuers and financial institutions and inform them of the incident as well.

In addition, you may contact the fraud departments of the three national consumer reporting agencies to discuss your options. You have the right to place a security freeze on your consumer report. A security freeze is designed to prevent credit, loans and services from being approved in your name without your consent; however, please be aware that using a security freeze may delay your ability to obtain credit. You may request that a security freeze be placed on your consumer report by sending a

July 10, 2008
Page 2

request to a consumer reporting agency by certified mail, overnight mail, or regular stamped mail to the address below. The following information should be included when requesting a security freeze (please note that if you are requesting a credit report for your spouse or other dependent, this information should be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth (month, day and year); (4) current address for the past two years; and (5) any applicable incident report or complaint with a law enforcement agency. The request should also include a copy of a government-issued identification card (such as a driver's license or military ID card) and a copy of a recent utility bill or bank or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue. The consumer reporting agency may charge a fee to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse or other dependent of a victim of identity theft, and you have submitted a valid police report relating to the identity theft to the consumer reporting agency.

Experian Security Freeze
P.O. Box 9554
Allen, Texas 75013
www.experian.com

Equifax Security Freeze
P.O. Box 105788
Atlanta, Georgia 30348
www.equifax.com

TransUnion
Fraud Victim Assistance Dept.
P.O. Box 6790
Fullerton, California 92834
www.transunion.com

There are ways to obtain your consumer credit report without charge. Under federal law, you are entitled to one free copy of your consumer credit report from each of the three national consumer reporting agencies. You may request your free annual consumer credit report by visiting www.annualcreditreport.com or by calling 1-877-FACTACT (1-877-322-8228). You may want to obtain copies of your consumer credit report to ensure the accuracy of the report information.

To learn more and to report incidents of identity theft, you can contact Federal Trade Commission ("FTC") at www.consumer.gov/idtheft, www.ftc.gov/credit or call 1-877-IDTHEFT (1-877-438-4338).

We apologize for any inconvenience this incident may have caused you. If you should have any further questions, please contact the 24 Hour Fitness Service Center at 1-866-772-9560.

Sincerely,

Arthur Morris
Senior Director, Benefits