



PENTEL OF AMERICA, LTD.
2715 Columbia Street
Torrance, California 90503
Phone (310) 320-3831

March 3, 2009

Douglas Gansler
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

Re: *Legal Notice of Potential Data Security Breach Pursuant to Pursuant to Md. Code, Comm. Law § 14-3504(h)*

Dear Mr. Gansler or to Whom It May Concern:

We write to notify you of a recent online data security breach involving the personal information of a relatively small number of Maryland residents. Pentel of America, Ltd. ("Pentel") sells writing instruments and office products to the public through its online retail outlet located at www.pentelstore.com.

On January 20, 2009, we were notified by our external web maintenance provider and server host that between December 11, 2008, and January 20, 2009, unidentified person(s) gained unauthorized access to Pentel's online retail outlet and accessed certain personal data of Pentel's online shoppers, including name, billing address, email address, billing phone number, credit card number, expiration date and CV2 credit card security code. We believe that an estimated 2076 total individuals may have been affected by this incident, of whom 37 are Maryland residents.

Upon discovery, the unauthorized website access incident was reported to the Grapevine Police Department (GPD) in Grapevine, Texas, where the server host is located. A copy of the redacted report is enclosed. GPD advised us that it referred the case to the Network Intrusion Division of the U.S. Secret Service Cyber Crimes Unit. We will continue to work with law enforcement about the incident. At this time, we do not know whether any personal data has been misused.

Pentel retained Kroll Inc., a risk consulting company, for its notification, hotline access, credit monitoring, and identity theft restoration services for one year, other than at the individuals' expense, to mitigate any potential problems of affected individuals that may result from this incident.

Pentel has notified all affected individuals of the online data security incident by written letter through first-class mail, postage prepaid, the mailing of which began on February



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19, 2009. Enclosed is a copy of a sample individual notification letter and the enclosures that were sent to the affected individuals.

We take the protection of our customers' personal information very seriously. Pentel has taken aggressive steps with its external web maintenance provider and server host to ensure a data breach of this nature does not occur again in the future, such as moving the location of our online retail outlet website and implementing strong passwords, among other things.

If you have any questions or need further information regarding this incident, please do not hesitate to contact us.

Sincerely yours,

Isseki Nakayama
President
Pentel of America, Ltd.
2715 Columbia Street
Torrance, CA 90503

Encls.

GRAPEVINE POLICE DEPARTMENT

INCIDENT Report

ORI: TX2201300 Incident No. 0900010115 02/11/2009

Incident

CAD No. 0900014923 Other No. Type Criminal Date Occur 02/09/2009 13:01
Status Open Clear. Date Enter By: SAMUELS,SANDY Exc. Clear.
Inv. Status Active Report By: JONES,JOHNNY #0280 02/09/2009 Approv. By: HERMAN,MARK 02/09/2009
Fam. Viol. No Narrative I0900010115.doc Investigator JONES,JOHNNY #0280
Description
COMPUTER BREACH/THEFT \$50,000 - \$100,000

Dispatch Location 801 INDUSTRIAL BLVD GRAPEVINE

- Offense No. 1 Offense Recording Date 02/09/2009 14:46
Off. Begin Date 12/11/2008 00:00 Off. End Date 01/20/2009 00:00 Entry Method Attempt/Complete Completed
Drug Seized Gang Related Hi-Speed Pursuit Weapons Used
Offense Code 57060008 Offense COMPUTER SECURITY BREACH >=\$20K<\$100K No. of Premises 0
Bias Motivation Agg Asslt/Homic. Circumst.
Offense Addr. 801 INDUSTRIAL BLVD, APT: 200, GRAPEVINE, TX Loc.Type Commercial/Office
Remarks
UNKNOWN SUSPECT(S)

Victim(s)
Name DOB Race Sex DL Address

Victims (Organizations)
Name Phone Address
PENTEL OF AMERICA 2715 COLUMBIA ST TORRENCE, CA 90503

Other Involved Person(s)

Name Role DOB Race Sex DL Address
Reportee (H) (W)

GRAPEVINE POLICE DEPARTMENT

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Incident Involved Organization Report

ORI: TX2201300 Incident No. 0900010115 02/11/2009

Incident

CAD No. 0900014923 Other No. Type Criminal Date Occur 02/09/2009 13:01
Status Open Clear. Date Enter By: SAMUELS, SANDY #0070xc. Clear.
Inv. Status Active Report By: JONES, JOHNNY #0280 02/09/2009 Approv. By: HERMAN, MARK #0082 02/09/2009
Fam. Viol. No Narrative I0900010115.doc
Description
COMPUTER BREACH/THEFT \$50,000 - \$100,000

Organization

PENTEL OF AMERICA Role: Complainant
2715 COLUMBIA ST TORRENCE, CA 90503 Type Date Enter: 02/10/2009

GRAPEVINE POLICE DEPARTMENT NARRATIVE

Date of Report: 020909

Case #: 0900010115

On Thursday, 02/05/2009 at approximately 17:34 Hrs. [REDACTED] of Pentel Of America sent an e-mail to my City Of Grapevine e-mail account advising that a Computer Security Breach had occurred on their servers located at 801 Industrial Blvd. Suite 200 Grapevine, TX. The narrative of the e-mail is as follows,

On December 11th, hackers gained access to our online store www.pentelstore.com. Between the 11th and January 20th they stole the names, addresses, phone numbers, email addresses, and credit card numbers (including CV2 and expiration date) of any customer placing an order on our site.

Pentel Of America is located in Torrance, CA and due to the 2 hour time difference I did not see the e-mail until Friday morning, 02/06/2009.

On Monday, 02/09/2009 at approximately 12:40 Hrs. I made contact with [REDACTED] via telephone. He advised that their servers are physically located at Rackspace Hosting on Industrial Blvd. and that between 12/11/2008 and 01/20/2009 approximately 2000 customer accounts were compromised. The breached servers do not store customer data, however the suspect(s) captured the customer information as the order was being placed. He feels that the breach occurred as a result of an automated password attack. Safeguards have been implemented to prevent additional breaches.

[REDACTED] was able to capture the i.p. addresses of the computers that illegally accessed their servers during the time of the offense. While I was on the phone with [REDACTED] he e-mailed an Excel spreadsheet to me that contained the captured information.

The i.p. addresses return to 27 different cities located in 14 different states in the United States and one i.p. address located in Loughborough, England. There were 306 separate breaches with the first one taking place on 12/11/2008 at 07:38 Hrs. from Loughborough and the last one taking place on 01/20/2009 at 15:10 Hrs. from Louisville, Colorado. 301 of the breaches are using i.p. addresses registered to Comcast Cable Communications. One breach uses an i.p. address that is registered to Network Operations Center, Scranton, Pennsylvania and the remaining 4 breaches used an i.p. address registered to BlueConnex-PH-u316 which was assigned to the Loughborough, England account.

Officer: J. JONES *J.J. Jones 290*
Approving Supervisor: Sgt. M. Herman

ID#: 280
ID#: 082

GRAPEVINE POLICE DEPARTMENT NARRATIVE

Date of Report: 020909

Case #: 0900010115

██████████ advised that Pentel Of America is in the process of drafting notifications to their customers, informing them of the breach. ██████████ estimates the current financial loss to Pentel Of America to be between \$50,000 - \$100,000.

Prosecution is desired.

Officer: J. JONES *J.J. Jones*
Approving Supervisor: Sgt. M. Herman

ID#: 280
ID#: 082



Secure Processing Center | 600 Satellite Blvd | Suwanee, GA 30024

<FirstName> <MiddleInitial> <LastName> <Suffix>
<Address> (Line 1)
<Address> (Line 2)
<City> <State> <Zip>
<POSTNET BARCODE>



<FirstName> <MiddleInitial> <LastName> <Suffix>
Membership Number: <Membership Number>

Member Services: 1-800-XXX-XXXX
8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday
If you have questions or feel you may have an identity theft issue,
please call ID TheftSmart member services.

Dear <FirstName> <MiddleInitial> <LastName> <Suffix>,

We are writing to let you know of a recent online security incident that may affect you. We were recently informed by a web development company and the company that hosts servers of Pentel of America, Ltd. ("Pentel"), of the unauthorized access to our online retail outlet, www.pentelstore.com, by unknown person(s) between December 11, 2008, and January 20, 2009. Your personal information, including name, billing address, email address, billing phone number, credit card expiration date, credit card number, and CV2 credit card security code, may have been accessed as a result of this incident. Even though we do not know whether your personal information has been misused, we want to notify you of this incident and the steps Pentel has taken to guard against identity fraud.

We have engaged Kroll Inc. to provide you with access to its ID TheftSmart™ service. This service includes:

- › **Active Credit idIntegrity Alerts.** When credit is applied for in your name, your alerts program gives creditors a direct line to your approval. You will receive an Instant Authorization call, at up to three phone numbers, seeking your approval before a new account is opened. Kroll is ready to assist you if you discover a fraudulent request. *Creation of an online account and registration required.*
- › **Enhanced Identity Theft Restoration.** Licensed Investigators who truly understand the problems surrounding identity theft will help restore your name and credit if either are found to be affected as a result of the above incident. The investigators do most of the work.

Pentel is offering this service at no cost to you for one (1) year. We urge you to read the enclosed information from Kroll about the safeguards now available to you.

To take advantage of the active credit alerts, sign up at www.idintegrityalerts.com. Please be prepared to provide the membership number included with this letter to use Kroll's encrypted and secure online services.

To safeguard yourself against identity theft or other unauthorized use of personal information, you can take some simple steps. First, we recommend that you remain vigilant over the next 12 months and review your credit card bills and credit report for any 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 one of the three national consumer reporting agencies: Experian 1-888-397-3742; Equifax 1-800-685-1111; and TransUnion 1-877-322-8228. You have the right to obtain a police report if you are the victim of identity theft. You may wish to inform your credit card issuers and financial institutions 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 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 among other things. You may request that a security freeze be placed on your consumer report by sending a 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 blank 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 92834-6798
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 go to www.ftc.gov/credit, or www.consumer.gov/idtheft, or call 1-877-IDTHEFT (1-877-438-4338).

If you have any questions, wish to learn more about the services available to you, or believe you may have an identity theft issue, please call 1-800-XXX-XXXX between 8:00 a.m. and 5:00 p.m. (Central Time), Monday through Friday.

Again, we apologize for the inconvenience this incident may cause you.

Sincerely,

Isseki Nakayama
President
2715 Columbia Street
Torrance, CA 90503

<ClientDef1(Breach Details Variable Text)><ClientDef2(Breach Details Variable Text)>
ClientDef1 and ClientDef2 fields combined into a single paragraph