

NEW YORK STATE SECURITY BREACH REPORTING FORM
Pursuant to the Information Security Breach and Notification Act
(General Business Law §899-aa; State Technology Law §208)

Name of Entity: Alaron Trading Corporation / Alaron Financial Services
Street Address: 822 W. Washington
City: Chicago State: IL Zip Code: 60607

Sector (please select one): Local Government State Government Federal Government
 Not-for-profit Commercial Educational

Type of Business (please select one): Biotech/Pharm Education Financial Services
 Health Care Insurance Retail/Internet Telecom. Transportation
 Other _____

Persons Affected: Total: 150 Dates: Breach Occurred: 1-3-08
NY residents: 2 Breach Discovered: 1-4-08
Consumer Notification: 1-8-08

Reason for delay, if any, in sending notice: _____

Description of Breach (please select all that apply): Hacking incident; Inadvertent disclosure;
 Stolen computer, CD, tape, etc; Lost computer, CD, tape, etc; Insider wrongdoing;
 other (specify): _____ [Attach additional description if necessary]

Information Acquired (please select all that apply): Name; SSN; Driver's license no.;
 Account number; Credit or Debit card number; Other (specify): Birthdate, Hire date, salary, address (potential, unknown if all information was available for all employees)

Manner of Notification to Affected Persons (Attach Copy): Written; Electronic (email);
 Telephone; Substitute notice (provide justification). List dates of any previous (within 12 months) breach notifications: _____

Credit Monitoring or Other Service Offered: Yes; No; Duration: _____
Service: _____ Provider: _____

Submitted by: Listed on notification Pamela McDeermid Title: SVP, HR

Firm Name (if other than entity): _____
Telephone: 312-563-8301 Email: pmedermid@alaron.com

Dated: _____

From: Pamela McDermid
Sent: Tuesday, January 08, 2008 4:41 PM
To: alaronmemo
Subject: Urgent Employee Notice

Please be advised a laptop was stolen from the IT department on or about January 3, 2008. Alaron has reason to believe that a breach of the security of system data may have occurred on that date. Personal information such as names, addresses, social security numbers, salaries and birth dates of employees may have been acquired by unauthorized person(s) from the hard drive of that laptop. We did not have a breach of client data as this information was not contained on the stolen laptop. Management is undertaking steps and measures to pursue this investigation and is concerned with the potential breach of security. A police report was immediately filed with the Chicago Police Department to report the theft.

As a result of the possibility that unauthorized person(s) may have accessed this personal information, you may wish to take precautionary measures such as contacting credit bureaus to place your credit information account on fraud alert. Should you become aware of any identity theft or fraud that has occurred please be vigilant in your response and notify Alaron immediately. Below is the contact information for the fraud department of each of the three major credit agencies:

Equifax	1-888-766-0008
Experian	1-888-397-3742
Trans Union	1-800-680-7289

We assure you that Alaron has been and will continue to be diligent in this matter and all security measures. The investigation of the scope and extent of the security breach is ongoing; however in light of the mere possibility a security breach occurred, Alaron management concluded the disclosure of such potential breach was warranted in order to protect your personal information and to inform you how to go about protecting your credit in case there is a need.

If you have any questions please see the Human Resources Department. You can reach us by phone at 312-563-8301.

Thank you.