

**North Carolina Security Breach Reporting Form
Pursuant to the Identity Theft Protection Act of 2005**

Name of Business Owning or Licensing Information Affected by the Breach: KIWANIS INTERNATIONAL
Address: 3636 WOODVIEW TRACE
INDIANAPOLIS, IN 46268
Telephone: 317.825.8755 x101
Fax: 317.879.0204
Email: joatess@kiwanis.org

PLEASE SUBMIT FORM TO:
Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
Telephone: (919) 716-6000
Toll Free in NC: (877) 566-7226
FAX: (919) 716-6050

Date Security Breach Reporting Form submitted: JANUARY 28, 2008
Date the Security Breach was discovered: JANUARY 4, 2008
Estimated number of affected individuals: 18,432
Estimated number of NC residents affected: 570

Name of business maintaining or possessing information that was the subject of the Security Breach, if the business that experienced the Security Breach is not the same entity as the business reporting the Security Breach (pursuant to N.C.G.S. § 75-65(b)): ON-NET SERVICES, 8847 COMMERCE PARK PLACE, SUITE K,
INDIANAPOLIS, IN, 46268

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: CREDIT CARD #'S WERE ACCESSED BY RUNNING A SQL INJECTION PROGRAM TO GATHER NAMES, CREDIT CARD #'S, EXP. DATES, & BILLING/SHIPPING ADDRESSES OF CUSTOMERS. INFO WAS ELECTRONIC FORM

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. Yes If so, please describe the security measures protecting the information: THE THIRD PARTY THAT HOSTED THE SITE FOR US STATES THERE WAS SOME SECURITY INCLUDING ENCODING. HOWEVER, THE INFO WAS NOT ENCRYPTED.

Describe any measures taken to prevent a similar Security Breach from occurring in the future: WE HAVE SHUT DOWN THE SITE & WILL NOT REOPEN IT UNTIL WE HAVE A SITE THAT IS SSL SECURE & ENCRYPTED.

Date affected NC residents were/will be notified: IMMEDIATELY. BEGIN JAN. 28, 2008

If there has been any delay in notifying affected NC residents, describe the circumstances surrounding the delay pursuant to N.C.G.S. § 75-65(a) and (c): DELAY IN FIGURING OUT THE SCOPE OF THE PROBLEM INCL. # AFFECTED. ALSO, GETTING STATE SPECIFIC REPORTING REQUIREMENTS TOGETHER.

If the delay was pursuant to a request from law enforcement pursuant to N.C.G.S. § 75-65(c), please include the written request or the contemporaneous memorandum.

How NC residents were/will be notified?
(pursuant to N.C.G.S. § 75-65(e))

- written notice
- electronic notice (email)
- telephone notice
- substitute notice

Please attach copy of the notice if in written form or a copy of any scripted notice if in telephonic form.

Signature: [Signature] Date: 1-28-08
Contact Person, Title: JEFFREY DUNN, CHIEF OPERATING OFFICER
Address: SAME AS ABOVE
(if different from above)
Telephone: _____ Fax: _____ Email: _____

[INSERT LETTERHEAD]

Date _____

Dear _____,

We regret to inform you that an incident has occurred which may have compromised the security of a database containing some of your personal information. On Friday, January 4, 2008, Kiwanis International learned of a recent unauthorized intrusion into its Kiwanis Family Store Web site and database. The perpetrator gathered personal information including names, credit card numbers, expiration dates, and billing/shipping addresses by illegally accessing our system through the Internet. Kiwanis International did not store, or have access to, our members' Social Security numbers and drivers' license numbers.

Because you have purchased items through the Kiwanis Family Store Web site, the following credit card was possibly affected:

[INSERT CREDIT CARD TYPE]: XXXXXXXXXXXXX[INSERT LAST 4 DIGITS]

This act has put customers at risk of credit card fraud and identity theft. Upon learning of the breach, we immediately shut down the Kiwanis Family Store Web site to prevent further unauthorized access. We have contacted both the United States Federal Bureau of Investigation and the Secret Service. In addition, we are notifying all three consumer-reporting agencies of the incident and that your personal information may be affected.

Consumers whose personal information may have been compromised are advised to place a free 90-day fraud alert on their credit report and to review information available through three consumer-reporting companies:

- o Equifax at 800-525-6285, www.equifax.com, PO Box 740241, Atlanta, GA 30374-0241.
- o Experian at 888-EXPERIAN (397-3742), www.experian.com, PO Box 9532, Allen, TX 75013.
- o TransUnion at 800-680-7289, www.transunion.com, Fraud Victim Assistance Division, PO Box 6790, Fullerton, CA 92834-6790.

A fraud alert tells creditors to contact you before they extend credit, open a new account, or change your existing accounts. You should be aware that while most creditors will call you, they are not obliged by law to do so; therefore, it is not fail-proof protection.

We advise you to continue monitoring your credit report with each of these consumer-reporting companies. You may obtain a free credit report by calling 877-322-8228 or by visiting www.annualcreditreport.com.

In addition, we recommend that you report the theft to your local law enforcement agency. Your financial institution or other creditors may require the police report to clear you of any fraudulent charges that may occur. You should report the theft to the Federal Trade Commission at 877-438-4338. You also can file a complaint with the FTC by going to www.consumer.gov/idtheft. The FTC complaint allows the FTC to assist law enforcement with locating and prosecuting ID thieves. You also should contact creditors and, if required, provide them with a copy of an FTC ID Theft Affidavit. You can obtain the affidavit at <http://www.ftc.gov/bcp/online/pubs/credit/affidavit.pdf>. The FTC also has an action plan for combating identity theft located at <http://www.ftc.gov/bcp/edu/microsites/idtheft>.

The [APPLICABLE STATE AGENCY TO CONTACT] also has valuable information for victims of identity theft:

[STATE PROVIDED MATERIAL] [STATE SPECIFIC IDENTITY THEFT SITE]

We recommend that you contact this agency at [INSERT PHONE NUMBER] or on the Web at [WEB ADDRESS] for more information.

Please remain vigilant by reviewing account statements and monitoring your free credit reports for incidents of fraud and identity theft. Kiwanis International is conducting a vigorous investigation and continues to monitor the situation carefully. The International Office's business hours are 8:30 a.m. to 4:45 p.m. EST Monday through Friday. If you have questions, please contact Member Services at Kiwanis International during these hours at 800-549-2647 or 317-875-8755, extension 411, as prompted. We greatly apologize for the inconvenience this may cause.

Sincerely,

Kiwanis International