

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

12/17/07

Name of Business Owning or Licensing Information Affected by the Breach: ART.com, INC.
Address: 2100 POWELL STREET, 10TH FLOOR
EMERYVILLE CA 94608
Telephone: (510) 879-4810
Fax: (510) 588-3921
Email: k.lucas@art.com

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: December 12, 2007
Date the Security Breach was discovered: October 12, 2007
Estimated number of affected individuals: unknown
Estimated number of NC residents affected: 200

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)): _____

Describe the circumstances surrounding the Security Breach and state whether the information breached was in electronic or paper format: Internet hacker broke through Art.com's network security systems and accessed credit card information. No CVV or CVC numbers were accessed.

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 credit card account numbers were encrypted.

Describe any measures taken to prevent a similar Security Breach from occurring in the future: Multiple security improvements; the hacker can no longer access information using the method he used.

Date affected NC residents were/will be notified: October 18, 2007 (written notice); October 27, 2007

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): (press release)

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: 12/12/07
Contact Person, Title: Kevin A. Lucas, Secretary
Address: _____
(if different from above) _____
Telephone: (510) 879-4810 Fax: (510) 588-3921 Email: k.lucas@art.com