

**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: Helen Grace Chocolates, Inc.
Address: P.O. Box 19448
Greensboro, NC 27419-9448
Telephone: (336) 574-4200
Fax: (336) 574-4201
Email: jgould@shamrock1.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: November 7, 2008
Date the Security Breach was discovered: August 15, 2008
Estimated number of affected individuals: 360
Estimated number of NC residents affected: -2-

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: Attackers exploited an SQL injection vulnerability in our web servers to compromise electronic information stored therein.

Regarding electronic information breached, state whether the information breached or potentially breached was password protected or encrypted in some manner. _____ If so, please describe the security measures protecting the information: _____

Describe any measures taken to prevent a similar Security Breach from occurring in the future: New web servers and Port80 server defender were installed; credit card data is no longer being stored; other updates and improvements are ongoing.

Date affected NC residents were/will be notified: N/A. Foreign residents notified by letter dated November 7, 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): _____

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: Janet Gould Date: 11/11/08
Contact Person, Title: Janet Gould, Asst. Secretary
Address: _____
(if different from above) _____
Telephone: (336) 574-4222 Fax: (336) 574-4201 Email: jgould@shamrock1.com

Helen Grace
CHOCOLATES
since 1944

November 12, 2008

Consumer Protection Division
NC Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001

Dear Sir/Madam:

Pursuant to NCGS §75-65, please find enclosed the North Carolina Security Breach Reporting Form Pursuant to the Identity Theft Protection Act of 2005 relating to a recent situation involving an internet-based attack on certain of our web servers.

In August 2008, we became aware of the possibility that our web servers may have been compromised. We immediately engaged a qualified incident response assessor to investigate the potential compromise and, upon learning from the qualified incident response assessor that our web servers had been compromised, we prepared and forwarded a written notice to the affected card holders (a form of which is enclosed).

We take the protection of our customers' personal information very seriously and regret any inconvenience this may have caused anyone.

If you have any questions regarding this matter, or if we can be of any assistance, please do not hesitate to contact me.

Sincerely,



Janet Gould
Assistant Secretary
(336) 574-4222

Enclosure