



September 17, 2008

State of Massachusetts
Honorable Martha Coakley
Office of the Attorney General
One Ashburton Place
Boston, MA 02108

To Whom It May Concern:

Pursuant to MA.M.G.L c. 93H, this letter is to inform you that Gloria Jeans Coffee (Gloria Jean's) recently experienced a data security breach in its e-commerce site server hosted by Smith Micro, Inc. Gloria Jean's has reason to believe that the personal information of Twelve (12) of its online customers who reside in the State of Maine have been accessed sometime between September 4th, 2008 and September 10th, 2008 without authorization. The total customers affected by this breach were five hundred and eleven (511). The personal information affected may include customer names, addresses, telephone numbers, emails, and credit card information. Gloria Jean's has not determined that any fraudulent credit card transaction has occurred as a result of this incident.

A full analysis of our e-commerce server files revealed on September 4th, 2008 individual initiated modifications to our checkout web pages from a shared hosted IP address located in the United States. On September 10, 2008, the intrusion was identified and we learned that the modifications were able to access and screen capture the personal transaction information and dump the information to an external server and log file. At no time was our encrypted database exposed to this intrusion.

Once discovered, Gloria Jean's immediately undertook the following actions:

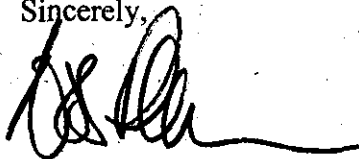
- ① Took its website off line and confirmed that there was no malicious or unauthorized code included as part of its website before returning the site was returned to service;
- ② Contacted the server host of the intruder's log file with consumer information to have the IP addressed disabled and inaccessible;
- ③ Installed server security solutions to detect and prevent any modification to our web pages with out proper authorization;
- ④ Locked down File Transfer Protocol ports (FTP) to specific IP's and implemented SSL encryption to this service for our website;

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- ⑤ Reported the incident and provided relevant materials to the United States Secret Service Electronics Crimes Task Force (ECTF);
- ⑥ Sent notice to affected customers by U.S. First Class mail and email (copies of letter sent have been included for your review);
- ⑦ Gloria Jean's at this time will not be offering credit monitoring services.

Gloria Jean's investigation of this incident is ongoing in cooperation with the FBI and Secret Service ECTF. Gloria Jean's believes this letter is compliant with the notice requirements listed in MA.M.G.L c. 93H. In addition, Gloria Jean's has provided a similar letter to the Director of Consumer Affairs and Business Regulation. If, however, you require additional information or documentation, please do not hesitate to contact us by telephone at (866) 721-4780. Thank you for your time and attention.

Sincerely,



Russ Phillips
CEO
Gloria Jeans Coffee



Dear [Name]:

We regret to inform you that earlier this month, unknown person or persons were able to obtain the addresses and credit card numbers of some of our valued website customers.

To protect yourself from the possibility of identity theft or unauthorized charges, we recommend that *you immediately contact your credit card issuer and close your account*. You should tell your credit card issuer that your account may have been compromised, review all charges on your account for potentially fraudulent activity, and ask that the issuer report your account as "closed at customer request." In obtaining a new credit card account, you may ask your credit card issuer to give you a PIN or password to help control access to the account.

Because we do not collect your Social Security Number or other financial account information, only your credit card number, name and address used during placing an order with us earlier this month may have been comprised. No other information was potentially compromised, nor were any of our databases or other system information comprised by this incident. Immediately upon learning about this potential compromise of your information, we took corrective action, instituted a number of additional security enhancements to our web site, and have reported this incident to the federal law enforcement authorities, with whom we are working during the investigation of this matter.

Although there is no evidence that personal identifying information to affect your credit beyond potentially using the credit card may have been compromised, there are some additional steps you can take to protect yourself. First, you may place a free *fraud alert* or security freeze with credit bureaus and/or periodically run a credit report to ensure accounts have not been activated without your knowledge. If you determine that an account has been fraudulently established using your identity, you should contact law enforcement to place a police report, as well as the financial agency and credit bureaus. The following references provide additional useful information about identity theft:

Federal Trade Commission Identity Theft web site, www.consumer.gov/idtheft, Identity Theft helpline 1-877-438-4338

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One Ashburton Place Ten Park Plaza,
Suite 5170 Boston, MA 02108, Phone: (617) 727-4765

Office of Consumer Affairs and Business Regulation

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Major Credit Bureaus:

Equifax P.O. Box 105788 Atlanta, GA 30348	Experian P. O. Box 9554 Allen, TX 75013	Trans Union P.O. Box 6790 Fullerton, CA 92834-6790
1-800-525-6285 www.equifax.com	1-888-397-3742 www.experian.com	1-800-680-7289 www.transunion.com

In addition, under Massachusetts law, you have the right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it.

Massachusetts law also allows consumers to place a security freeze on their credit reports. A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing or other services.

If you have been a victim of identity theft, and you provide the credit reporting agency with a valid police report, it cannot charge you to place, lift or remove a security freeze. In all other cases, a credit reporting agency may charge you up to \$5.00 each to place, temporarily lift, or permanently remove a security freeze.

To place a security freeze on your credit report, you must send a written request to **each** of the three major credit bureaus: Equifax; Experian; and TransUnion by regular, certified or overnight mail at the addresses above.

In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social Security Number;
3. Date of birth;
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the

- prior five years;
5. Proof of current address such as a current utility bill or telephone bill;
 6. A legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.)
 7. If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft;
 8. If you are not a victim of identity theft, include payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

We deeply regret this situation and any inconvenience or alarm it may cause you. If you have any questions about this notification or we can do anything to assist you, please call us at 866-721-4780.

On behalf of Gloria Jeans Coffee and all of our employees, we sincerely apologize for the inconvenience that this issue may have caused.

Sincerely,

Gloria Jeans Coffee