



December 23, 2008

VIA OVERNIGHT COURIER

Office of the Attorney General
Public Protection Bureau
One Ashburton Place
Boston, MA 02108

Re: Notification of Potential Data Breach

Dear Sirs,

On Monday, December 1, 2008, North Pacific Group discovered that several laptops and other computer equipment belonging to our Human Resources and Information Technology departments in Portland, Oregon had been stolen sometime over the long Thanksgiving weekend.

Since the incident, we have examined all information stored on these computers, searching for sensitive data about our employees, customers, vendors and our business. As a result, we found that two of the stolen computers stored files containing names, addresses, Social Security numbers, and dates of birth for current and certain former employees ("Employees"). Our records indicate that the stolen computers contained such records for a total of 86 Employees located in your State. These records are in hidden locations on these computers and are password protected.

We immediately reported this incident to our local law enforcement authorities, and are continuing to assist in their investigation. We are concurrently sending a written notice to the affected Employees in your State, a sample of which is enclosed. As you will see, the notice outlines the credit monitoring and other services we are offering Employees. We have also contacted the three national credit repositories—Equifax, Experian, and TransUnion—to advise them of the incident.

If you have any questions regarding this incident, please contact me at (503) 230-2105 or our legal counsel, Merrill Baumann of the Dunn Carney firm, at (503) 242-9620.

Sincerely,

A handwritten signature in black ink that reads 'Tracy A. Lind'.

Tracy A. Lind
Senior Vice President of Human Resources
North Pacific

cc: Merrill Baumann, Esq.



Secure Processing Center | 600 Satellite Blvd | Suwanee, GA 30024

URGENT — Please Open Immediately.

<FirstName> <MiddleInitial> <LastName> <Suffix>
<Address> (Line 1)
<Address> (Line 2)
<City> <State> <Zip>
<POSTNET BARCODE>



<FirstName> <MiddleInitial> <LastName> <Suffix>
Membership Number: <Membership Number>

Member Services: 1-800-XXX-XXXX
8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday
If you have questions or feel you may have an identity theft issue,
please call ID TheftSmart member services

Dear <FirstName> <MiddleInitial> <LastName> <Suffix>,

On Monday, December 1, 2008, we discovered that several laptops and other computer equipment belonging to our Human Resources and Information Technology departments in Portland, Oregon had been stolen sometime during Friday evening.

Since the incident, we have examined all information stored on these computers, searching for sensitive data about our employees, customers, vendors and our business. As a result, we found that two of the stolen computers stored files containing names, addresses, Social Security numbers, and dates of birth for current and certain former employees. These files are in hidden locations on these computers and are password protected.

Although we have no reason to believe that this information has been improperly accessed or misused, we want to make you aware of the incident and the steps we have taken to guard against potential identity fraud.

First, we filed a police report with our local law enforcement and notified building security. We are regularly requesting updated information on their investigations. We contacted regulatory authorities and the three national credit repositories—Equifax, Experian, and TransUnion—to advise them of the incident.

Because securing your personal information is so important to us, North Pacific has engaged Kroll Inc., the world's leading risk consulting company, to provide its ID TheftSmart™ service. Kroll's Fraud Solutions team has more experience than any other organization when it comes to helping people who have experienced the unintentional exposure of confidential data. We are providing you FREE access to:

- › **Current Credit Report.** Kroll offers you access to an up-to-date credit report from Experian. If you suspect fraudulent activity, please call the Kroll team
- › **Continuous Credit Monitoring.** Monitoring alerts make you aware of key changes, using data from all three major national credit repositories, in your credit file that could indicate the kind of unauthorized activity commonly associated with identity theft and fraud. *Consumer Credit Report and Credit Monitoring Authorization Form required.*
- › **Enhanced Identity Theft Restoration.** Licensed Investigators who truly understand the problems surrounding identity theft will help restore your name and credit if either should be affected by this incident. The investigators do most of the work!

You may call 1-800-XXX-XXXX, 8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday, if you have any questions or feel you may have an identity theft issue.

Please know that your privacy is of the utmost importance to us. We truly apologize for any inconvenience this incident may cause you and are currently evaluating and implementing steps to prevent a similar occurrence.

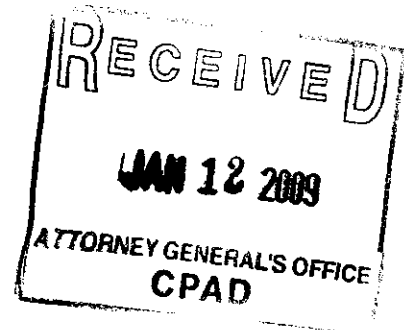
Sincerely,

Tracy A. Lind
Senior Vice President of Human Resources
North Pacific



January 7, 2008

Shannon Cho-Seymour
Office of the Attorney General
Public Protection Bureau
One Ashburton Place
Boston, MA 02108



RE: North Pacific Group, Inc. data security breach

Dear Ms. Cho-Seymour:

This letter is in response to your letter dated December 29, 2008, a copy of which is enclosed. In your letter, you stated that the sample notice of a breach of security we sent to affected Massachusetts residents was not in compliance with Massachusetts law. Based on what you received, I understand why you reached this conclusion. Upon review of the sample notice I originally sent you, I discovered that I sent you the wrong sample notice, a copy of the general notice, not the one sent to Massachusetts residents. Furthermore, I did not include the supplemental information that was enclosed with all notices. I apologize for my oversight. Enclosed is an accurate sample of the notice and supplemental material that was sent to all Massachusetts residents potentially affected by our data security breach. I believe these materials do comply with Massachusetts law.

If you have any additional questions or comments, please contact me at (503) 230-2105 or our legal counsel, Merrill Baumann of the Dunn Carney firm, at (503) 242-9620.

Sincerely,

A handwritten signature in cursive script that reads 'Tacy A. Lind'.

Tacy A. Lind
Senior Vice President of Human Resources
North Pacific

cc: Merrill Baumann, Esq.



Secure Processing Center | 600 Satellite Blvd | Suwanee, GA 30024

URGENT — Please Open Immediately.

<FirstName> <MiddleInitial> <LastName> <Suffix>
<Address> (Line 1)
<Address> (Line 2)
<City> <State> <Zip>
<POSTNET BARCODE>



<FirstName> <MiddleInitial> <LastName> <Suffix>
Membership Number: <Membership Number>

Member Services: 1-800-588-9839
8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday
If you have questions or feel you may have an identity theft issue,
please call ID TheftSmart member services

Dear <FirstName> <MiddleInitial> <LastName> <Suffix>,

We are writing to inform you of a data breach incident that occurred on Monday, December 8, 2008.

Although we have no reason to believe that this information has been improperly accessed or misused, we want to make you aware of the incident and the steps we have taken to guard against potential identity fraud.

First, we filed a police report with our local law enforcement and notified building security. We are regularly requesting updated information on their investigations. We also contacted regulatory authorities and the three national credit repositories—Equifax, Experian, and TransUnion—to advise them of the incident.

Because securing your personal information is so important to us, North Pacific has engaged Kroll Inc., the world's leading risk consulting company, to provide its ID TheftSmart™ service. Kroll's Fraud Solutions team has more experience than any other organization when it comes to helping people who have experienced the unintentional exposure of confidential data. We are providing you FREE access to:

- › **Current Credit Report.** Kroll offers you access to an up-to-date credit report from Experian. If you suspect fraudulent activity, please call the Kroll team
- › **Continuous Credit Monitoring.** Monitoring alerts make you aware of key changes, using data from all three major national credit repositories, in your credit file that could indicate the kind of unauthorized activity commonly associated with identity theft and fraud. *Consumer Credit Report and Credit Monitoring Authorization Form required.*
- › **Enhanced Identity Theft Restoration.** Licensed Investigators who truly understand the problems surrounding identity theft will help restore your name and credit if either should be affected by this incident. The investigators do most of the work!

You may call 1-800-588-9839, 8:00 a.m. to 5:00 p.m. (Central Time), Monday through Friday, if you have any questions or feel you may have an identity theft issue.

Please know that your privacy is of the utmost importance to us. We truly apologize for any inconvenience this incident may cause you and are currently evaluating and implementing steps to prevent a similar occurrence.

Sincerely,

Tracy A. Lind
Senior Vice President of Human Resources
North Pacific

U.S. State Notification Requirements

For residents of Hawaii, Iowa, Maryland, Michigan, North Carolina, Oregon, Vermont, Virginia, West Virginia, and Wyoming:

It is required by state laws to inform you that you may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account. It is recommended by state law that you remain vigilant for incidents of fraud and identity theft by reviewing credit card account statements and monitoring your credit report for unauthorized activity. You may obtain a free copy of your credit report by contacting any one or more of the following national consumer reporting agencies:

Equifax

P.O. Box 740241
Atlanta, Georgia 30348
1-800-685-1111
www.equifax.com

Experian

P.O. Box 2104
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion

P.O. Box 6790
Fullerton, CA 92834-6790
1-877-322-8228
www.transunion.com

For residents of Iowa:

State law advises you to report any suspected identity theft to law enforcement or to the Attorney General.

For residents of Oregon:

State laws advise you to report any suspected identity theft to law enforcement, as well as the Federal Trade Commission.

For residents of Maryland:

You can obtain information from the Maryland Office of the Attorney General and the Federal Trade Commission about steps you can take to avoid identity theft.

Maryland Office of the Attorney General

Consumer Protection Division
200 St. Paul Place
Baltimore, MD 21202
1-888-743-0023
www.oag.state.md.us

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
www.ftc.gov/bcp/edu/microsites/idtheft/

For residents of Massachusetts and West Virginia:

It is required by state law that you are informed of your right to obtain a police report if you are a victim of identity theft. You also have the right to place a security freeze on your credit report. A security freeze is intended to prevent credit, loans and services from being approved in your name without your consent; however, using a security freeze may delay your ability to obtain credit.

To place a security freeze on your credit report, you need to send a request to a consumer reporting agency by certified mail, overnight mail, or regular stamped mail. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse, this information must be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. The consumer reporting agency may charge a fee of up to \$5.00 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and you have submitted a valid police report relating to the identity theft incident to the consumer reporting agency.

Equifax Security Freeze

P.O. Box 105788
Atlanta, Georgia 30348
www.equifax.com

Experian Security Freeze

P.O. Box 9554
Allen, TX 75013
www.experian.com

TransUnion (FVAD)

P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com