



BEVERLY NATIONAL BANK

EARNING YOUR TRUST SINCE 1802

Beverly: Downtown • North Beverly • Cummings Center
Danvers • Manchester-by-the Sea • Salem • South Hamilton • Topsfield
978-922-2100 www.BeverlyNational.com

Notice to Attorney General and Office of Consumer Affairs and Business Regulation Compromise of Personally Identifiable Information

January 28, 2009

Hon. Martha Coakley
Attorney General
Commonwealth of Massachusetts
One Ashburton Place
Boston, MA 02108

Hon. Daniel Crane
Director
Office of Consumer Affairs and Business Regulation
Commonwealth of Massachusetts
Ten Park Plaza, Suite 5170
Boston, MA 02116

Dear Attorney General Coakley and Director Crane:

Pursuant to G.L. c. 93H, we are writing to notify you of a breach of security and unauthorized access of personal information involving 269 identified Massachusetts resident(s).

NATURE OF THE SECURITY BREACH

On January 21, 2009, we were notified by Visa Fraud Control & Investigations of a confirmed network intrusion which put Massachusetts residents at risk. The reported incident involves confirmed unauthorized access to Heartland Payment Systems's authorization system of signature based and PIN transaction information that included cardholder name, card expiration date, CVV number, account number and some encrypted PIN blocks. This intrusion took place May 15th through November 13, 2008.

NUMBER OF MASSACHUSETTS RESIDENTS AFFECTED

Visa Fraud Control has identified 269 of our customers that have been affected to date. These identified Massachusetts residents will shortly receive notice pursuant to G.L. c. 93H, § 3(b) by mail. A copy of the notice is attached.

WHAT IS BEING DONE TO PROTECT AFFECTED MASSACHUSETTS RESIDENTS

The investigation is ongoing. It is not known if any customer information was actually removed, and if so where that data is. The bank will be cancelling the card-holders' cards and issuing new cards for their protection. The bank will also be monitoring user accounts for unusual activity.

If you should have any questions or require any additional information regarding this security incident, please feel free to contact me.

Sincerely,



Paul J. Germano
Senior Vice President

Encl: Customer Notice



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Notice – Unauthorized Access to Sensitive Customer Information

Date

Name

Address

Dear (*insert name*)

At Beverly National Bank, we take great care to keep your personal information secure. As part of these ongoing efforts, we are notifying you of a data security breach involving some Beverly National Bank Visa Check cards which contained account name, account number, personal CVV number and the card's expiration date occurred. An unauthorized individual could have accessed your card information; and the investigation into this incident is ongoing.

DETAILS OF THE INCIDENT

On January 21, 2009, we were notified by Visa Fraud Control & Investigations that an unauthorized person had accessed Heartland Payment Systems's authorization system of signature based and PIN transaction information that included cardholder name, card expiration date, CVV number, account number and some encrypted PIN blocks. Heartland Payment Systems provides credit/debit/prepaid card processing services to merchants. This intrusion took place May 15th through November 13, 2008.

Heartland has created a website -- www.2008breach.com --- to provide information about this incident.

WHAT IS BEING DONE TO PROTECT YOUR PERSONAL INFORMATION FROM UNAUTHORIZED ACCESS:

At this time, we have no evidence that an unauthorized person retrieved any of your Visa Check card information or other sensitive data, but we are taking the following precautions to help protect your identity. We have cancelled your Visa Check card and will be issuing you a new one and we are monitoring your card and will notify you in the event of any suspicious activity.

Beverly National Bank takes its obligation to safeguard sensitive customer information entrusted to it very seriously, and therefore, deem it necessary to bring this situation to your attention. Please monitor your regular mail and email in the coming days for messages from us.

We deeply regret that your information may have been subject to unauthorized access and any inconvenience this incident presents to you. Heartland has informed us that it has taken remedial measures to avoid another incident of this nature.

Beverly National Bank is committed to maintaining the privacy of sensitive customer information. Please be assured that we will continue to take necessary steps to safeguard sensitive customer information that we maintain.

Please review the attached for safeguards you can take to protect your personal information.

If you have any questions about this matter, please feel free to contact me directly.

Sincerely,

Paul J. Germano
Senior Vice President



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WHAT YOU SHOULD DO TO PROTECT YOUR PERSONAL INFORMATION

You should remain vigilant for attempts to steal your personal information over the next 12 to 24 months. Please review your account statements for any suspicious and/or unauthorized activity. Other steps you can take to protect your credit information are described below. The Federal Trade Commission also provides guidance to consumers about protecting against identity theft through its website: www.ftc.gov

- **Free Credit Reports.** Credit reports contain information about you, including what accounts you have and your bill paying history. The law requires the major nationwide consumer reporting companies – Equifax, Experian, and TransUnion – to give you a free copy of your credit report each year if you ask for it. Visit www.AnnualCreditReport.com or call 1-877-322-8228, a service created by these three companies, to order your free credit reports each year. You can also write: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.
- **Fraud Alerts.** You may place a “Fraud Alert” on your credit reports to tell creditors to follow certain procedures before they open new accounts in your name or make changes to your existing accounts. The three nationwide consumer reporting companies have toll-free numbers, which are listed below, for placing an initial 90-day fraud alert. A call to one company is sufficient. Place a fraud alert also entitles you to free copies of your credit reports.

Fraud Alert Phone Numbers:

Equifax
1-800-525-6285

Experian
1-888-EXPERIAN
(397-3742)

TransUnion
1-800-680-7289

- **Credit Freeze.** Massachusetts law allows consumers to place a security freeze on their credit reports. A security freeze prohibits a credit reporting company from releasing any information from a consumer's credit report without written authorization. However, 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 company with a valid police report, it cannot charge you to place lift or remove a security freeze. (Under Massachusetts law, you have the right to obtain any police report filed in regard to this incident, and you have the right to file a police report filed in regard to this incident, and you have the right to file a policy report if you are the victim of identity theft.) In all other cases, a credit reporting company 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 nationwide consumer reporting companies by regular, certified or overnight mail at the addresses below:

Equifax Security
Freeze
P.O. Box 105788
Atlanta, GA 30348
www.equifax.com

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

TransUnion Security Freeze
Fraud Victim Assistance Department
P.O. Box 6790
Fullerton, CA 92834
www.transunion.com

In order to request a security freeze, you will need to provide certain information, including your Social Security Number, date of birth, proof of current address and list of previous addresses if you have moved in the past five (5) years, and a photocopy of your driver's license or other government ID card.

The credit bureaus must send written confirmation to 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 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.