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September 3, 2010

VIA OVERNIGHT DELIVERY

Office of the Attorney General
 33 Capitol Street
 Concord, NH 03301
 Attention: Attorney General Delaney

Re: Incident Notification

Dear Attorney General Delaney:

We are writing on behalf of Benefit Concepts, Inc. ("BC") to notify you of a data security incident.

A FedEx Express ("FedEx") package containing BC employee payroll checks, along with an electronic copy of the checks on a CD, was lost in transit. The payroll information on the checks included employee's first/last names, social security numbers and bank account numbers.

The package was shipped by BC's vendor, Compupay, on July 19, 2010, and was scheduled to be delivered on July 20, 2010. Despite a recently concluded extensive search and investigation by FedEx, the package has not been located. FedEx believes the package went missing at its station in Warwick, RI. BC has no reason to believe the package was targeted for theft or that any of the information in the package has been used improperly and there have been no attempts to cash any of the checks. It appears the package was simply lost.

Notification is being sent to the affected individual in the form attached hereto. As a precaution, BC is offering one year of free credit monitoring to the affected individuals. There is one New Hampshire resident potentially affected by this incident.

BC regrets this unfortunate incident and is taking the necessary and appropriate steps to prevent this type of incident from occurring in the future. Going forward, BC has required its payroll vendor to mask the social security numbers and banking information on its payroll checks and to encrypt any accompanying CD. BC is

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continually evaluating and modifying its practices, and the practices of its vendors, in order to enhance the security and privacy of its employee's information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric A. Packel". The signature is written in a cursive style with a large, sweeping initial "E".

ERIC A. PACKEL

EAP/mp
Attachment



September 3, 2010

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]:

The privacy and security of all Benefit Concepts employees' personal information is of utmost importance to us and we take significant measures to protect it.

Regrettably, we are writing to notify you that a FedEx Express ("FedEx") package containing some of our employee's payroll checks, and a CD containing an electronic copy of that information, was lost in transit. The payroll information on the checks included employee's first/last names, social security numbers and bank account numbers.

The package was shipped by our vendor, Compupay, on July 19, 2010, and was scheduled to be delivered on July 20, 2010. Despite a recently concluded extensive search and investigation by FedEx, the package has not been located. FedEx believes the package went missing at its station in Warwick, RI. We have no reason to believe the package was targeted for theft or that any of the information in the package has been used improperly. It appears the package was simply lost. No one has attempted to cash any of the checks.

In an abundance of caution, we are providing you with a free one year membership in Triple AlertSM from ConsumerInfo.com, Inc., an Experian[®] company. Triple Alert includes credit monitoring capabilities and assistance in identity theft protection. To enroll in TripleAlert, please see page 2 of this letter.

Benefit Concepts regrets this unfortunate incident and is taking the necessary and appropriate steps to prevent this type of incident from occurring in the future. We are committed to maintaining the privacy of all of the personal information we maintain and we take many precautions to safeguard it. Going forward, we have asked our payroll vendor to mask the social security numbers and banking information on our payroll checks and to encrypt any accompanying CD. This change has been made. We continually evaluate and modify our practices, and the practices of our vendors, in order to enhance the security and privacy of the personal information that is entrusted to us. If you have questions regarding this incident, please call [REDACTED].

Sincerely,

David Brown
Controller

20 Risho Avenue
East Providence, Rhode Island 02914-1287
Telephone: (401) 438-7100 (800) 969-2009 Facsimile: (401) 427-8701



TRIPLE ALERT ENROLLMENT INFORMATION:

To activate your complimentary one year membership in Triple Alert from Experian, visit the website listed below and enter your individual activation code. If you prefer, you can enroll on the phone by speaking with Experian Customer Care representatives toll-free at [REDACTED]

Triple Alert Web Site: <http://partner.consumerinfo.com/triple>
Your Activation Code: [REDACTED]
You Must Enroll By: December 5, 2010

As soon as you enroll in your complimentary Triple Alert membership, Experian will begin to monitor your credit reports from Experian, Equifax® and TransUnion® on a daily basis, and notify you of key changes. This powerful tool will help you identify potentially fraudulent use of your information, and provide you with immediate assistance from a dedicated team of fraud resolution representatives should you ever need help.

Your complimentary 12-month Triple Alert membership includes:

- Daily monitoring and timely alerts of any key changes to your credit reports so you know when there is any activity that you should be made aware of such as notification on new inquiries, newly opened accounts, delinquencies, public records or address changes.
- Toll-free access to a dedicated team of fraud resolution representatives who will help you investigate each incident, contact credit grantors to dispute charges, close accounts if need be, compile documents, and contact all relevant government agencies.
- \$25,000 in identity theft insurance coverage (\$10,000 for New York state residents) with zero deductible provided by Virginia Surety Company, Inc. for certain identity theft expenses¹.

You have until December 5, 2010 to activate this membership, which will then continue for 12 full months. To get the benefits of Triple Alert, you must enroll. If you have questions about Triple Alert, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care at [REDACTED]

ADDITIONAL INFORMATION:

We recommend that you remain vigilant to the possibility of fraud and identity theft by monitoring your account statements and credit reports for any unauthorized activity. Contact information for the national credit reporting agencies is, as follows:

Equifax: 800-686-1111 www.equifax.com P.O. Box 740241, Atlanta, GA 30374-0241
Experian: 888-397-3742 www.experian.com P.O. Box 9532, Allen, TX 75013
TransUnion: 800-888-4213 www.transunion.com 2 Baldwin Place, P. O. Box 2000, Chester, PA 19022

If you believe you are the victim of identity theft or have reason to believe your information is being misused, you should immediately contact local law enforcement, your state attorney general and/or the Federal Trade Commission.

¹Insurance coverage is not available in US overseas Commonwealth or Territories (i.e. Puerto Rico).