



ARROW ELECTRONICS, INC.
50 MARCUS DRIVE
MELVILLE NY 11747
631/847/2000
FAX 631/847/5458

March 3, 2010

Attorney General Michael J. Delaney
New Hampshire State Attorney General's Office
33 Capitol Street
Concord, NH 03301

Re: Arrow Electronics, Inc.
Notification of Potential Security Breach under N.H. Rev. Stat. 359-C.20

Dear Attorney General Delaney:

We write to advise you of an incident involving a reported burglary at an office of Arrow Electronics, Inc. (the "Company") that resulted in a stolen laptop computer containing personal information of residents of New Hampshire. The incident occurred at 25 Hub Drive, Melville, New York, on February 18, 2010. To our knowledge, the laptop contained certain personal information of about 4,044 of its employees and former employees, approximately 52 of whom are New Hampshire residents.

At this time, the Company has no specific knowledge that any employee information was accessed or misused as a consequence of the breach. We also are unaware of any reported instance of identity theft related to this incident.

Learning About the Incident. On February 18, 2010, one or more unknown persons stole a laptop computer from the Company's New York office. Upon learning of the theft on February 19, 2010, the Company reported the incident to the Suffolk County police department. A thorough investigation by the Company determined that the laptop contained personal information regarding certain Company employees and former employees, including names, addresses, and telephone numbers. In some instances, Social Security numbers, and corporate and personal credit card numbers with security codes and expiration dates were also included.

The Company first learned of this incident on February 19, 2010 and took the following actions: (1) notified law enforcement; (2) investigated the situation; (3) engaged Kroll, Inc. ("Kroll") to examine the copied back-up files to identify and extract all personal information; (4) engaged Edwards Angell Palmer & Dodge LLP to advise on legal obligations under applicable state and federal laws; (5) determined what information had been compromised; (6) committed to notify and offer solutions to the affected individuals; and (7) prepared notices for distribution to individuals and governmental authorities explaining the incident and steps undertaken to protect affected individuals. We have also notified American Express of the potentially compromised corporate credit card numbers. American Express will reissue cards to the potentially affected population and cancel the potentially affected

corporate credit cards. The replacement corporate credit cards will be mailed directly to the account address listed on file at American Express.

Investigating the Disclosure. As noted above, the Company determined that the stolen laptop contained certain personal information of approximately 52 New Hampshire residents. Internal reports were run to identify all of the individuals whose information could have been accessed on the laptop. In addition, using data backed up from the laptop, Kroll ran independent searches and prepared reports listing all individuals whose personal information could be accessed on the stolen laptop computer. These reports were then used to prepare mailing lists for the notifications discussed below.

Communicating with Affected Individuals. In order to ensure that affected individuals could take immediate steps to protect themselves from possible identity theft or other monetary damage, the Company will promptly notify them of the incident by sending notices via FedEx on March 3, 2010. The notification materials, a form of which is enclosed with this letter as Exhibit A, will advise employees to remain vigilant by reviewing account statements and monitoring free credit reports.

Services to Affected Individuals. The notification materials will also describe the various services the Company has made available, free of charge, to affected individuals through Kroll. The Company has instructed Kroll to provide affected individuals toll-free access to its Consumer Solutions Center, along with credit monitoring services and identity theft restoration services. Kroll will also provide access to a credit report to affected individuals who enroll for the service. In addition, the enrolled individual's credit file will be monitored for critical changes, including address changes, inquiries, new trade-lines, derogatory notices and appearance of certain public records. Individuals will be informed of such changes by either postal or electronic mail. If a person suspects or discovers fraudulent activity, Kroll, as part of the identity restoration services, will provide the affected individual with a toolkit of resources to address issues encountered.

The Company believes the services offered to its employees will help them immediately respond to any threats of identity theft or other misuse of their data as a result of this isolated incident.

Efforts to Deter Future Breach. The Company has taken several steps to improve the level of its data security by increasing the profile of data security issues within the company at all levels, up to and including senior management. Further, the Company will be reinforcing its processes in its annual Security Awareness Program for all of its employees globally and provide additional training for individuals tasked with handling highly sensitive data. As it does in the normal course, the Company will also be accessing safeguards during the Company's internal audit.

We trust that this letter and its enclosures provide you with all the information required to assess this incident and our response. Please contact me or our counsel on this matter, Ted Augustinos of Edwards Angell Palmer & Dodge LLP, if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory T. Heyman', is written over a light gray rectangular background.

Gregory T. Heyman
Corporate Counsel
Arrow Electronics, Inc.
50 Marcus Drive
Melville, New York 11747

Enclosure

cc: Theodore P. Augustinos
Edwards Angell Palmer & Dodge LLP
20 Church Street
Hartford, CT 06103



ARROW ELECTRONICS, INC.

URGENT — Please Open Immediately.

<<FirstName>> <<MiddleName>> <<LastName>>
<<Address1>>
<<Address2>>(Place fields Address3-5 below, if used)
<<City>>, <<State>> <<Zip>>
<<CountryId>>
<<POSTNET BARCODE>>



<<FirstName>> <<MiddleName>> <<LastName>>
Membership Number: <<MembershipNumber>>

Member Services: 1-866-XXX DRIA
8:00 a.m. to 7:00 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>> <<MiddleName>> <<LastName>>,

Arrow recently experienced a data security incident that may have exposed some of your personal information. This letter is to inform you about the event and detail the services we are offering to help address concerns you may have following this incident.

On Thursday, Feb. 18, 2010, an Arrow Electronics laptop computer containing personal and credit card information for certain current and former Arrow employees who have utilized company BlackBerry, wireless AirCard and calling card services was reported stolen from our New York office. A thorough investigation has determined that certain personal data, some of which included your name, Social Security number, personal credit card number with the last four digits of <<ClientDef1>>(CCNumber), security code and expiration date for this card, may have been contained on this laptop computer. You may want to consider canceling your personal card to avoid any potential unauthorized charges and have a new one issued.

We are investigating the incident and have reported the theft to law enforcement. There is currently no indication that your data has actually been accessed or misused. We are taking prudent steps to minimize any potential risks and fortify the protective measures that were already in place, including an internal audit and additional training as it relates to highly sensitive data.

Our first priority is addressing the risk of personal data loss. In support of this, Arrow has engaged Kroll, a global leader in data security, to provide its ID TheftSmart™ service. Through Kroll, Arrow is making available several services that you can choose to take advantage of for the next 12 months, at no cost:

- › **Continuous Credit Monitoring:** These monitoring alerts will make you aware of key changes in your credit file that could indicate the kind of unauthorized activity commonly associated with identity theft and fraud. Your authorization is required to initiate this through Kroll.
- › **Proactive idINTEGRITY Scan:** This 24/7 online registry routinely scans the Internet for unauthorized use of personal information. Kroll is standing by to help you if suspicious issues are discovered. Please go to www.idintegrityscan.com to create an online account.
- › **Enhanced Identity Theft Consultation and Restoration:** You will have access to Kroll's Licensed Investigators who are available to answer questions and provide expertise regarding any concerns you may have. Should you experience any issues as a result of this incident, an investigator will work closely with you to address them.

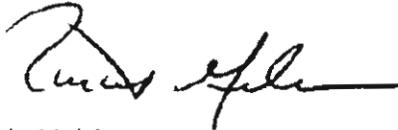
Please review the enclosed information for instructions to take advantage of Kroll's services. To enroll in the continuous credit monitoring service, please visit www.idintegrity.com to complete your authorization. If you would prefer to enroll in this service through the mail, please fill out and return the enclosed *Consumer Credit Report and Credit Monitoring Authorization Form*. Please note, however, that if you fill out and return the authorization form to receive the continuous credit monitoring service through the mail, you cannot sign up online.

If you are a resident of certain states, including Iowa, Maryland, Massachusetts, New Hampshire, North Carolina, Oregon, Virginia and West Virginia, please see the enclosed U.S. State Notification Requirements disclosure for additional information.

For consultation or assistance with any of the services listed above, please call Kroll at 1-866-XXX-DRIA, 8:00 a.m. to 7:00 p.m. (Central Time), Monday through Friday. To speak to an Arrow representative, please call 1-866-275-6227, 8:00 a.m. to 5:00 p.m. (Central Time).

We deeply regret this situation. We trust that the quality and reliability of the support services being offered demonstrate our continued commitment to your security and support.

Sincerely,

A handwritten signature in black ink, appearing to read "Vin Melvin", with a long horizontal flourish extending to the right.

Vin Melvin
Chief Information Officer
Arrow Electronics

U.S. State Notification Requirements

For residents of Hawaii, Iowa, Maryland, Michigan, Missouri, 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 30374
1-800-685-1111
www.equifax.com

Experian

P.O. Box 2002
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion

P.O. Box 2000
Chester, PA 19022
1-800-888-4213
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 and North Carolina:

You can obtain information from the Maryland and North Carolina Offices of the Attorneys 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

North Carolina Office of the Attorney General

Consumer Protection Division
9001 Mail Service Center
Raleigh, NC 27699-9001
1-877-566-7226
www.ncdoj.com

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



ARROW ELECTRONICS, INC.

URGENT — Please Open Immediately.

<<FirstName>> <<MiddleName>> <<LastName>>
<<Address1>>
<<Address2>>(Place fields Address3-5 below, if used)
<<City>>, <<State>> <<Zip>>
<<CountryId>>
<<POSTNET BARCODE>>

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If you currently have a corporate American Express credit card, you will receive a separate communication from American Express containing a replacement card to be activated upon receipt. This communication will be sent to your current account address that is on file with American Express.

We are investigating the incident and have reported the theft to law enforcement. There is currently no indication that your data has actually been accessed or misused. We are taking prudent steps to minimize any potential risks and fortify the protective measures that were already in place, including an internal audit and additional training as it relates to highly sensitive data.

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- › **Enhanced Identity Theft Consultation and Restoration:** You will have access to Kroll's Licensed Investigators who are available to answer questions and provide expertise regarding any concerns you may have. Should you experience any issues as a result of this incident, an investigator will work closely with you to address them.

Please review the enclosed information for instructions to take advantage of Kroll's services. To enroll in the continuous credit monitoring service, please visit www.idintegrity.com to complete your authorization. If you would prefer to enroll in this service through the mail, please fill out and return the enclosed *Consumer Credit Report and Credit Monitoring Authorization Form*. Please note, however, that if you fill out and return the authorization form to receive the continuous credit monitoring service through the mail, you cannot sign up online.



<<FirstName>> <<MiddleName>> <<LastName>>
Membership Number: <<MembershipNumber>>

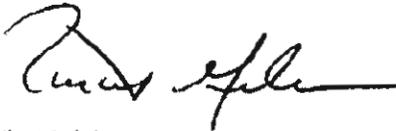
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We deeply regret this situation and have taken immediate steps to further our protections. We trust that the quality and reliability of the support services being offered demonstrate our continued commitment to your security and support.

Sincerely,

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Vin Melvin
Chief Information Officer
Arrow Electronics

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

North Carolina Office of the Attorney General

Consumer Protection Division
9001 Mail Service Center
Raleigh, NC 27699-9001
1-877-566-7226
www.ncdoj.com

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/

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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.

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Allen, TX 75013
www.experian.com

TransUnion (FVAD)

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