

December 24, 2014

VIA OVERNIGHT DELIVERY

Office of the Attorney General
33 Capitol Street
Concord, NH 03301
Attn: Attorney General Joseph Foster

Re: Incident Notification

Dear Attorney General Foster:

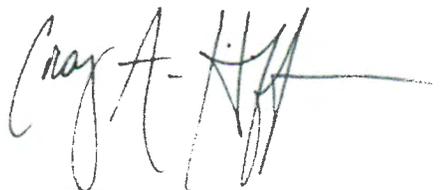
Our client, Lokai Holdings LLC (“Lokai”), recognizes the importance of the privacy and confidentiality of the personal information of its customers. We are writing to notify you that Lokai recently detected suspicious activity on computers that operate the payment processing system for its website.

After Lokai was informed of reports of fraudulent charges appearing on payment cards that were legitimately used on its website, Lokai engaged a leading computer security firm to conduct an investigation. On October 28, 2014 the investigation found that an unauthorized person gained access to the server that hosts Lokai’s website and installed a program that was designed to record information entered by customers. Based on the investigation, Lokai believes information entered on the website from July 18, 2014 to October 28, 2014 could have been affected, which may include customer name, address, payment card number, expiration date, verification code, and the user name and password used to access the account a customer creates for the mylokai.com website.

Lokai is notifying customers who made a purchase on its website during that window of time and providing a complimentary one-year membership to Experian's® ProtectMyID® Alert. Since stopping the attack, Lokai has been working with a computer security firm to implement enhanced security measures.

A copy of the notification letter that Lokai is sending to affected customers is attached. Lokai is notifying 576 New Hampshire residents of this incident. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig A. Foster", with a long horizontal line extending to the right.

Enclosure

Lokai
Return Mail Processing Center
PO Box 6336
Portland, OR 97228-6336

<<First Name>><<Last Name>>
<<Address>>
<<City>><<State>><<ZIP>>

<<Date>>

Dear <<First Name>><<Last Name>>,

Lokai understands the importance of protecting your personal information. We are writing this letter to inform you about an incident which may involve some of your information.

After we were informed of reports of fraudulent charges appearing on payment cards that were legitimately used on our website, we engaged a leading computer security firm to conduct an investigation. On October 28, 2014 the investigation found that an unauthorized person gained access to the server that hosts our website and installed a program that was designed to record information entered by customers. Based on our investigation, we believe information entered on our website from July 18, 2014 to October 28, 2014 could have been affected.

The information affected by this incident may include your name, address, payment card number, expiration date, verification code, and the user name and password for your account at mylokai.com. Our records show that you made a purchase using a payment card ending in <<xxxx>> during this time.

We are notifying you so that you can take appropriate steps to protect yourself. We recommend that you remain vigilant to the possibility of fraud and identity theft by reviewing your financial statements for any unauthorized activity. You should immediately report any unauthorized charges to your financial institution because the major credit card companies have rules that restrict them from requiring you to pay for fraudulent charges that are timely reported. We have already reset the password you use for this account. Also, if you use the same user e-mail address and password for any other account, we recommend that you change your password there as well.

You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report please visit www.annualcreditreport.com or call toll free at 1-877-322-8228. Contact information for the three nationwide credit reporting companies is as follows:

Equifax, PO Box 740256, Atlanta, GA 30374, www.equifax.com, 1-800-525-6285
Experian, PO Box 9554, Allen, TX 75013, www.experian.com, 1-888-397-3742
TransUnion, PO Box 6790, Fullerton, CA 92834, www.transunion.com, 1-800-680-7289

If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the attorney general's office in your home state. Contact information for the Federal Trade Commission is as follows:

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
www.ftc.gov | 1-877-438-4338

You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You should also contact your local law enforcement authorities and file a police report. Obtain a copy of the police report in case you are asked to provide copies to creditors to correct your records.

We value you as customer, and we apologize for any inconvenience this may have caused you. If you have any questions, or you need further assistance, please call 800-981-7571 Monday through Friday between the hours of 9:00 a.m. and 9:00 p.m. Eastern Time.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Izen". The signature is fluid and cursive, with a prominent initial "S".

Steven Izen
CEO & Founder