Sunny S. Park
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Legal Department

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April 30, 2008

Office of the New Hampshire Attorney General
Assistant Attorney General in Charge
Department of Justice (Consumer Protection)
33 Capitol Street
Concord, NH 03301

Re: Information Security Notification

To Whom It May Concern:

Pursuant to your state's law, Saks, Inc. is notifying you of an information security incident involving the personal information of approximately 163 New Hampshire residents.

In mid-April 2008, Saks learned that four company laptops were stolen. Two of the stolen laptops contained several files that included customer names, addresses, Saks Fifth Avenue credit card account numbers, and/or Saks Fifth Avenue/MasterCard co-branded credit card account numbers. Based on our investigation, we have confirmed that these files did **not** include Social Security numbers, the credit cards' expiration dates, pin numbers, codes, or passwords, or any other types of sensitive data. Given the very limited type of personal information on these files and that it was stored on password-protected laptops, we believe there is a very low risk of identity theft or credit card fraud as a result of this event. We have no indication that this personal information has been accessed or misused, or even that the laptops are in the hands of someone seeking to misuse the information. Nor was this a breach of our network, website, or database.

The company has drafted written notice of the breach that it will be sending to the affected individuals imminently. *See* Attached. The notice explains the occurrence, provides the individuals with a toll-free telephone number to reach Saks if they have questions about the occurrence, and provides information about how they can protect themselves against identity theft and credit card fraud. Please contact me if you have any questions.

Sincerely,

Sunny S. Park

Enclosure

April 30, 2008

[Placeholder for consumer's address]
[Placeholder, City, ST ZIP]

Re: Information Security Incident

Dear [CONSUMER NAME]:

In mid-April 2008, Saks learned that four company laptops were stolen. We are sending you this letter as a cautionary measure because we believe certain information about you was on two of those laptops.

What Happened:

Two of the stolen laptops contained several files that included your name, address, Saks Fifth Avenue credit card account number, and/or Saks Fifth Avenue/MasterCard co-branded credit card account number. Based on our investigation, we have confirmed that these files did **not** include Social Security numbers, the credit cards' expiration dates, pin numbers, codes, or passwords, or any other types of sensitive data. Given the very limited type of personal information on these files and that it was stored on password-protected laptops, we believe there is a very low risk of identity theft or credit card fraud as a result of this event. We have no indication that this personal information has been accessed or misused, or even that the laptops are in the hands of someone seeking to misuse the information. Nor was this a breach of our network, website, or database (as is typical in many company breaches covered by the news).

Saks Takes Your Privacy Seriously:

Even though this event presents a low risk of possible identity theft or fraud to you, Saks takes its customers' privacy very seriously, and we have exercised utmost caution and diligence in our response following the discovery of the theft. Within hours of learning of the theft, we initiated our own investigation into the incident and notified law enforcement. Our internal security team will continue to work closely with law enforcement, who is actively conducting a criminal investigation into the theft. We also will be enhancing our security measures, on top of those in place already, to minimize the risk that this type of event occurs in the future.

Steps You Can Take To Further Reduce Your Risk of Identity Theft/Fraud:

While we have received no information at this time indicating that your personal information has actually been used in an improper manner, Saks has notified the issuing bank of the affected credit card accounts, and the bank will be monitoring the accounts for unusual activity in accordance with the bank's standard fraud control measures. It also is a good practice, in any event, to review your credit card account statements closely for suspicious activity. If you notice any suspicious transactions on your credit card account statements or other suspicious activity involving your account, please report it immediately to the appropriate financial institution and to your local police and file a police report of identity theft. Make sure to get a copy of the police report. You may need to give a copy of the report to creditors to clear up your records.

We also wanted to let you know that you are entitled by law to ask for a free copy of your credit report from each of the three credit reporting companies – Equifax, Experian, and TransUnion once every 12 months. To keep an eye on the accuracy and completeness of the information in your reports, we recommend that you stagger your requests from each of the reporting companies over the next 12 months. To obtain your free credit report:

- Go to www.annualcreditreport.com;
- Call the toll-free number 877-322-8228; or
- Complete the Annual Credit Report Request Form (available at www.ftc.gov/bcp/conline/include/requestformfinal.pdf) and mail it to:

  Annual Credit Report Request Service
  P.O. Box 105281
  Atlanta, GA 30348-5281

When you receive your credit report, look it over carefully. Look for accounts you did not open and inquiries from creditors that you did not initiate. If you see anything you do not understand call the credit agency at the telephone number provided on the report. Another helpful resource is the Federal Trade Commission's identity theft website at http://onguardonline.gov/idtheft.html or by calling 1-877-IDTHEFT. The Federal Trade Commission can assist victims and potential victims in dealing with the threat of identity theft.

Finally, if you have additional questions related to this situation, you can contact us between the hours of 9:00 a.m. ET through 6:00 p.m. ET on Monday through Saturday through our dedicated toll-free information helpline at 1-888-724-2455. Please also see the enclosed **Questions and Answers document**, which provides additional information you may find helpful. We are committed to taking appropriate steps to protect your confidential information.

Like you, we take this matter very seriously. We deeply regret any inconvenience or concern that this matter may cause you.

Sincerely,

Stephen I. Sadove
Chairman and Chief Executive Officer
Saks Incorporated