

Amelia M. Gerlicher PHONE: (602) 351-8308 FAX. (602) 648-7156

EMAIL. AGerlicher@perkinscoie.com

2901 N. Central Avenue, Suite 2000 Phoenix, AZ 85012-2788 PHONE: 602.351.8000 FAX: 602.648.7000 www.perkinscoie.cam

VIA U.S. MAIL

February 8, 2013

State of New Hampshire
Department of Justice
Office of the Attorney General Michael A. Delaney
33 Capitol Street
Concord, NH 03301

RE: Notification of Security Breach

Dear Mr. Delaney:

I am writing on behalf of Crafts Americana Group to inform you of a recent security breach incident involving unauthorized creation of and potential access to a file on their internet servers. This breach may have resulted in the unauthorized access to names, addresses, phone numbers, and credit card numbers of 134 residents of your state. The incident potentially affected only those who made online purchases from Craft Americana websites Knitpicks.com, ArtistsClub.com, or ConnectingThreads.com in late 2012.

Crafts Americana believes a file was created on or about December 21, 2012 by taking advantage of a then-unknown vulnerability in Adobe ColdFusion software. It believes that other users of Adobe ColdFusion software also experienced similar problems around the same time period, as Adobe first released a security hotfix for this issue in mid-January. Crafts Americana discovered that it had been a victim of an exploit that targeted the ColdFusion vulnerability on January 25, 2013, and immediately thereafter identified and removed the malicious file and patched the servers by applying the needed fixes. It is continuing its investigation and is scheduling a PCI forensics investigation to ensure that they have eliminated this issue.

We have also notified law enforcement and are continuing to investigate this incident. We have informed the payment card networks and will inform the credit reporting agencies so that they may take appropriate action.

Please find a copy of the notification that will be sent to the affected individuals in the coming days.

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Please contact me at the above address with any questions or concerns regarding this incident or at the phone number or email address above.

Sincerely,

Amelia M. Gerlicher

AMG/kdl Enclosure

LEGAL25751285.1

CRAFTS AMERICANA GROUP, INC.

13118 NE 4TH STREET, VANCOUVER, WA 98684

<Date>

<name> <street address> <City, State, zip>

We are writing to inform you of a recent incident during which your personal information may have been accessed without your authorization. On January 25, 2013, we discovered that a file on our internet servers containing your name, address, phone, and credit card number had been potentially accessible to outsiders without authorization for several weeks. The credit card number in the file was used on Knitpicks.com, ArtistsClub.com, or ConnectingThreads.com.

We have investigated the incident and taken the necessary actions to prevent it from recurring, as well as mitigate its effect on you. We have notified and are continuing to investigate this incident with law enforcement. We have also informed the payment card networks about this incident so that they may take appropriate action regarding your credit card account.

As a precaution, we recommend that you monitor your credit card transaction records and credit reports for fraudulent transactions and consider contacting the credit reporting agencies if you wish to put in place a fraud alert or obtain a free copy of your credit report:

- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241
- Experian: 1-888-EXPERIAN; www.experian.com; P.O. Box 9532, Allen, TX 75013
- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

As you monitor your transaction records and credit reports, if you suspect fraudulent transactions have occurred, contact your local law enforcement agency or the attorney general of your state.

You may also contact the Federal Trade Commission for information about preventing identity theft:

The Federal Trade Commission Identity Theft Clearinghouse 600 Pennsylvania Avenue, NW Washington, D.C. 20580 www.ftc.gov/idtheft 1-877-ID-THEFT (877-438-4338)

The Federal Trade Commission has also published a comprehensive guide to help guard yourself against and deal with identity theft. It is available for free online at www.ftc.gov/bcp/edu/microsites/idtheft/consumers/about-identity-theft.html.

You may also contact us in writing at 13118 NE 4th Street, Vancouver, Washington, 98684, or you can call us at (800) 257-1077.

On behalf of Crafts Americana, we regret any inconvenience this may cause you.

Sincerely,

Matt Petkun President

Crafts Americana Group

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