

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP

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WRITER'S DIRECT DIAL 312-821-6117

WRITER'S E-MAIL ADDRESS: LORI.NUGENT@WILSONELSER.COM

August 28, 2012

Attorney General Michael Delaney
Office of the Attorney General
NH Department of Justice
33 Capitol Street
Concord, NH 03301

Dear Attorney General Delaney:

We represent Database Designs Associates, Inc. ("Database Designs") with respect to an incident involving the exposure of certain personal information described in detail below. Database Designs is a small software development and web design company that provides technology services to its business clients, which primarily include nonprofits, labor unions, public-sector organizations, and small businesses. On July 17, 2012, a Database Designs independent contractor was visiting family members at a nursing home in a suburb of New York. He was asked to leave the room briefly and when he returned, he discovered the backpack containing his laptop and flash drive was missing. As noted in the attached packets, the laptop contained information pertaining to two of Database Designs' business clients, Health Care for All ("HCFA") and Boston Teachers Union ("BTU"). No HCFA or BTU information was contained on the flash drive.

Although we are unaware of any misuse of the information on the laptop and believe it unlikely that any misuse will occur, we have arranged for the impacted population to receive identity protection from AllClear ID at no cost to the impacted individual. The services that will be provided include the following:

- Credit monitoring that delivers secure, actionable Credit Alerts to customers by phone;
- \$1,000,000 Identity Theft Insurance Coverage;
- AllClear ID Fraud Resolution Services; and
- For a person under 18 years old, AllClear ID ChildScan identifies acts of credit, criminal, medical or employment fraud against young people by searching thousands of public databases for use of the person's information.

This letter is provided to advise you that the incident described herein involves one security

incident that affected two entities. For ease of reference, letters from each of the two affected entities and Database Designs are attached hereto. Should you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

WILSON, ELSE, MOSKOWITZ, EDELMAN & DICKER LLP



Lori S. Nugent

cc: Stephanie Reiter, Wilson Elser
Steven Backman (sbackman@dbdes.com)

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Dear Attorney General Delaney:

We represent Database Designs Associates, Inc. ("Database Designs") with respect to an incident involving the exposure of certain personal information described in detail below. Database Designs is a small software development and web design company that provides technology services to its business clients, which primarily include nonprofits, labor unions, public-sector organizations, and small businesses. Health Care for All ("HCFA"), a Massachusetts not-for-profit, hired Database Designs to design and build a new HelpLine database. In order to complete this project, Database Designs and its contractor were provided with certain personal information of HCFA's callers. Unfortunately, a laptop and flash drive containing limited personal information was stolen from a Database Designs contractor.

1. Nature of the security breach or unauthorized use or access.

On July 17, 2012, a Database Designs independent contractor was visiting family members at a nursing home in a suburb of New York. He was asked to leave the room briefly and when he returned, he discovered the backpack containing his laptop was missing. The laptop may have contained HCFA callers' first and last names, addresses, social security numbers, primary and secondary languages, insurance status information, demographic data, and limited health-related information. The laptop was password protected. No HCFA information was contained on the flash drive.

2. Number of New Hampshire residents affected.

Only ten (10) New Hampshire residents were affected by the breach. A notification letter is in the process of being sent to the affected individuals via regular mail. A copy of the notification letter is included with this letter.

3. Steps you have taken or plan to take relating to the incident.

Upon learning of the theft, Database Designs quickly logged into a remote service tied to the

August 28, 2012

Page 2

data folder on the laptop. The data folder was set to "self destruct," which automatically deletes all files contained in the folder, if and when the laptop connects to the Internet. Any attempt by the laptop to connect to the Internet triggers the self destruct mechanism and generate a report. To date, no such attempt has been logged.

Since the incident, all Database Designs employees and contractors have signed a new Written Information Security Plan confirming that no unencrypted personally identifiable information is stored on their laptops or mobile devices. Database Designs has also ensured that archival copies of data are physically secured off-site and/or encrypted. Database Designs is in the process of retraining its employees and contractors on the handling of sensitive data and will regularly audit each employee and contractor's security profile on their mobile devices to ensure compliance with the WISP.

HCFA has also taken steps to prevent this type of event from happening again, including reviewing and enhancing security protocols with third party vendors in order to protect the personal information of its applicants.

Because social security numbers were included on the laptop, Database Designs and HCFA are providing individuals whose information was exposed with enhanced identity theft consultation and restoration services, and continuous credit monitoring for interested individuals through AllClear ID. We have been informed that law enforcement is working to recover the backpack and laptop. We currently have no indication that the information has been inappropriately accessed, misused or further disclosed.

4. Contact information.

Notification has been provided to the Consumer Reporting Agencies. If you have any additional questions, please contact me at lori.nugent@wilsonelser.com, or (312) 821-6117.

Very truly yours,

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP



Lori S. Nugent

cc: Stephanie Reiter, Wilson Elser
Steven Backman (sbackman@dbdes.com)
Rosemarie Boardman (rboardman@hcfama.org)

Dear (Name):

We recently learned of a security incident that may have resulted in the disclosure of your personal information. At this time, we are not aware of any misuse of your personal information. We take the security of your information very seriously, and sincerely apologize for any inconvenience this may cause you.

Health Care for All ("HCFA") hired Database Design Associates, Inc. ("Database Designs") to design and build a new HelpLine database. In order to complete this project, HCFA provided Database Designs with a copy of its client database. On July 17, 2012, an unencrypted laptop with this information was stolen from a Database Designs' contractor while he was visiting family members at a nursing home. Database Designs conducted a thorough investigation, and determined that your name, address, social security number, primary and secondary language, insurance status information, demographic data, and limited health-related information may have been on the stolen laptop. Although the laptop was not encrypted, it was password protected. We want to make you aware of this situation even though we believe it is unlikely that your information will be misused.

We want to assure you that HCFA has taken steps to prevent this type of event from happening again, including reviewing and enhancing security protocols with third party vendors in order to protect your personal information. Database Design also has taken steps to prevent this type of event from happening again, including enhancing the training of its employees and contractors on the handling of sensitive data, implementing additional physical, electronic, and procedural measures to enhance security processes already in place, ensuring that archival copies of data are physically secured off-site and/or encrypted, and ensuring that its employees and contractors do not have sensitive data stored on their laptops or mobile devices.

We take the security and privacy of information in our control very seriously. Thus, while we are unaware of any misuse of the information on the laptop, we have arranged for you to receive identity protection from AllClear ID at no cost to you. The services that will be provided include the following:

- Credit monitoring that delivers secure, actionable Credit Alerts to the customers by phone;
- \$1,000,000 Identity Theft Insurance Coverage;
- AllClear ID Fraud Resolution Services; and
- For a child under 18 years old, AllClear ID ChildScan identifies acts of credit, criminal, medical or employment fraud against children by searching thousands of public databases for use of the child's information.

To receive these identity protection services at no cost, you must register with AllClear ID. The AllClear ID services will be valid for 1 year from the date you register. You will need to provide AllClear ID with the redemption code that is listed at the top of this page. You may register online at enroll.allclearid.com or by mail using the enclosed mail-in registration form, or by phone by calling (877) 579-2267. Please see the enclosure to learn more about AllClear ID.

We sincerely regret any inconvenience or concern that this matter may have caused you. Please contact (877) 579-2267 with any questions or concerns.

Sincerely,

Sincerely,

Rosemarie Boardman, Director of Finance & Operations
Health Care for All

Steve Backman, President
Database Designs Associates, Inc.

U.S. State Notification Requirements

For residents of Hawaii, Michigan, Missouri, Virginia, and North Carolina: 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.

For residents of Iowa, Maryland, Missouri, North Carolina, Oregon, Vermont, and West Virginia:

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. 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 2104
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, Illinois, and North Carolina:

You can obtain information from the Maryland and North Carolina Offices of the Attorneys General and the Federal Trade Commission about fraud alerts, security freezes, and steps you can take toward preventing 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:

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.

For residents of Massachusetts and West Virginia:

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.

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 and free if 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.

You may obtain a security freeze by contacting any one or more of the following national consumer reporting agencies:

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

Free identity protection. Priceless peace of mind.



ENROLL NOW! Free Identity Protection That's Proven to Work.

AllClear ID provides a level of patented identity protection no other company can match. Only AllClear ID has an Alert Network that identifies potential attacks and delivers critical information to you by phone.

What You Get:

- Identity theft insurance covers financial losses
- Comprehensive identity recovery
- Early attack detection
- Live AllClear™ Investigators dedicated to your case
- Wallet Restoration
- Long-term identity repair service after initial service period
- AllClear ID ChildScan identifies fraud for minors under 18 years old

Free, Fast, Simple Enrollment.



Insurance Amount: \$1,000,000



ENROLL NOW

Redemption Code: <XXXXXXXX>

Online: enroll.allclearid.com

By Mail: Use form included in letter

Phone: Toll-free (877) 676-0382
Monday through Saturday
8am to 8pm Central Time

Deadline: November 30, 2012

Sign Up Today For Your FREE Identity Protection From AllClear ID.

Included in Your AllClear ID Protection:

AllClear Credit Monitoring	AllClear Credit Alerts	AllClear Investigators	Identity Theft Insurance	Long-term Identity Repair	ChildScan
AllClear ID constantly scans credit records for signs of activity that could indicate identity theft.	If there are changes to your credit file - like evidence that a thief has used your credit, you will get a secure call from AllClear ID.	If fraud is detected, licensed investigators repair your identity, saving you hundreds of hours.	If a thief steals your identity, you will be reimbursed for covered losses related to recovering your identity.	After your initial protection period has passed, you're protected with extra identity repair coverage for future issues.	If under 18, AllClear ID scans Social Security numbers and sends alerts if fraud is found, we will fully restore your child's identity.

www.AllClearID.com

AllClear ID
ALERT NETWORK



AllClear ID Corporate Address:
823 Congress Ave, Suite 300, Austin, Texas 78701
AllClear ID Mail Processing Center:
P.O. Box 3356, Suwanee, Georgia 30024-9847

Customer Support: (855) 434-8077
Support@AllClearID.com

End User Services Agreement

This agreement ("Agreement") is made by & between AllClear ID, Inc., formerly "Debix" ("AllClear ID"), having an address of 823 Congress Avenue, Ste. 300, Austin, TX 78701, & you ("you"). As of the date you register for or enroll in the Service, the parties agree as follows:

- Definitions.** The "Service" means the Premium Service and/or the Basic Service, for which you enroll, as the case may be, determined in accordance with your registration & the terms hereof. The "Premium Service" is one of the following, depending on your election at registration: (i) AllClear ID Pro (ii) AllClear ID Plus (iii) AllClear ID Guarantee. A Premium Service may include a Service that a third party is purchasing for you on your behalf, i.e. it may be free to you but still a Premium Service. The "Basic Service" is AllClear ID Basic and is provided at no cost. References to the Service include any use you make of the interface available at www.debix.com or www.allclearid.com (collectively, the "Site").
- Provision of the Service.** AllClear ID will provide you with the Service you elected at registration subject to the terms and conditions of this Agreement. A detailed description of the Service for which you are registered can be found in your profile which may be accessed by logging into the Site. **Term & Termination Re: Basic Service.** Your subscription to the Basic Service commences upon your registration, covers identity theft events occurring after registration, & terminates upon the earlier of (i) AllClear ID's notification to you of its discontinuance of the Basic Service offering, (ii) AllClear ID's election to terminate your Basic Service if you do not opt-in at the end of the then-current subscription period, or (iii) your election to terminate your subscription to the Basic Service, each of which may occur at any time.
- Subscription Fee.** The subscription fee for the Premium Service, if applicable, will be billed at the retail price currently in effect, at a previously approved & agreed-upon pricing, or in accordance with the applicable promotion code on the Site & according to the terms described herein. If you have questions regarding your fee, please contact customer service toll free at the applicable phone number listed above. AllClear ID will continue to bill your payment method on a periodic basis until the expiration or termination of your Premium Service. You may cancel your subscription for the Premium Service (if any) for which you have registered in accordance with Section 7. If you pay monthly & wish to cancel, you must call Customer Service prior to the start of the following month. If you pay for multiple months in advance & cancel your Premium Service prior to the end of the period for which you have paid, AllClear ID will refund payment for only any full, unused months. If someone has paid on your behalf and you cancel, you will not receive a refund.
- Free Trial.** If you receive a Premium Service as the result of a third party procuring it for you on your behalf, this Section is not applicable to you. If you are subscribing to a Premium Service on your own behalf, it may start with a free trial period. If you do not cancel before the end of such free trial period, you agree that AllClear ID is authorized to charge you a monthly subscription fee for such Premium Service at the current rate to the payment method you provided during registration. You must provide a valid payment method to enroll in any free trial. AllClear ID will begin billing your payment method for monthly subscription fees at the end of the free trial period, unless you cancel prior to the end of the free trial period. You will not receive a notice from us that your free trial period has ended or that the paying portion of your subscription has begun. **If you cancel prior to the end of your free trial period, there will be no charges to your payment method.**
- Scope of Coverage; Term & Termination of Premium Service.** If you are a subscriber to a Premium Service, your subscription to such Premium Service commences upon your registration. Additional action may be required by you in order to activate certain features of the Service. Failure to activate or use an available feature of the Service does not affect the cost of the Service. The Premium Service covers identity theft events discovered after registration. If a third party has procured the Premium Service on your behalf, your subscription to the Premium Service will terminate at the end of the term specified during registration, unless you opt to re-enroll. If you are subscribing to a Premium Service on your own behalf, then at the end of your initial subscription period, your subscription will automatically renew on a month to month basis until you terminate it in accordance with this Section or fail to provide payment when due. In addition, the Premium Service may be terminated or suspended at any time with or without notice if payment is not received when due or if you breach any of the terms & conditions set forth herein. If your subscription to the Premium Service expires because you fail to renew it or fail to provide payment when due, AllClear ID may convert you to the Basic Service for one (1) year, subject to the terms & conditions applicable to the Basic Service as set forth herein. If you transfer from one Service to another, the terms and description of such newly elected Service will apply. In the event that you elect to transfer to a new Service, you will forfeit any remaining entitlement in your previous Service. Notwithstanding the foregoing, if you are affected by two separate incidents from the same source company, your newly elected Service will continue after the term of your previous Service, with no forfeiture.
- Restrictions.** You will use any Service only for your benefit & for its intended purpose. You will not permit any third party to: (a) except as expressly set forth in this Agreement, use, copy, modify, create derivative works of, distribute, sell, sublicense, or transfer the Service; (b) remove or alter any AllClear ID notices or markings, or add any other notices or markings within the Service; (c) decrypt or attempt to decrypt the Service; (d) derive or attempt to derive the source code of or decompile the Service; or (e) disassemble or reverse engineer the Service. If statutory rights make any part of this section void, you will provide AllClear ID with detailed information regarding any such activity.
- Ownership.** This Agreement confers no ownership rights to you & is not a sale of rights in the Service. Ownership of all right, title, & interest in or to the Service & all Feedback & all intellectual property rights embodied therein are & will remain AllClear ID's exclusive property. You will take all reasonable actions to perfect such ownership, including without limitation executing instruments of assignment. AllClear ID reserves all rights in the Service & the intellectual property rights embodied therein not expressly granted hereby. The Service contains AllClear ID proprietary & confidential information. You will hold such information in confidence & not use or disclose it in any way except as expressly permitted hereunder, using no less than reasonable care. If you provide feedback &/or generate data in using the Service ("Feedback"), except to the extent set forth in our Privacy Policy you hereby assign all right, title, & interest therein to AllClear ID. If such assignment is ineffective, you agree to grant to AllClear ID a non-exclusive, perpetual, irrevocable, royalty free, worldwide license to use, reproduce, sublicense, distribute, modify, & otherwise exploit such Feedback without restriction.
- Support.** In connection with the Service, AllClear ID will provide the support specified on the Site from time to time.
- Disclaimer of Warranties.** ALL SERVICES ARE PROVIDED TO YOU "AS IS," WITHOUT WARRANTY, & ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PURPOSE, NON-INTERFERENCE, ACCURACY, & NON-INFRINGEMENT ARE DISCLAIMED. ALLCLEAR ID DOES NOT WARRANT THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION, BE ERROR-FREE, OR ACHIEVE SPECIFIC RESULTS. THE SERVICE IS NOT A CREDIT COUNSELING SERVICE. ALLCLEAR ID DOES NOT PROMISE TO HELP YOU IMPROVE YOUR CREDIT RECORD, HISTORY, OR RATING.
- Authorization.** You authorize AllClear ID & its service providers to obtain & monitor your own information from credit reporting agencies and/or other monitoring services & send this information to you for your own use. You agree that this authorization shall constitute written instructions to obtain your credit information in accordance with the Fair Credit Reporting Act. If AllClear ID is unable to process the credit monitoring request, AllClear ID will make a reasonable effort to contact you. You certify that you have the express consent of all adults that you register to submit their information to AllClear ID with the intent to utilize the Service & to agree to this Agreement on their behalf. You also certify that each adult that you register for the Service has read & accepted the terms & conditions of this Agreement, and authorizes AllClear ID, & its service providers, to obtain & monitor his or her own credit information from credit reporting agencies & send this information to him or her alone for his or her own use. You agree that this authorization shall constitute written instructions to obtain his or her credit information in accordance with the Fair Credit Reporting Act. You certify that you are the parent/legal guardian of any and all children that you register for the Service. Information that AllClear ID collects from you will be treated in accordance with the AllClear ID Privacy Policy: <https://www.allclearid.com/legal/privacy-policy>.
- Limitation of Liability.** ALLCLEAR ID WILL NOT BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION COST OF COVER), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ALLCLEAR ID SHALL NOT BE LIABLE FOR ANY 3RD PARTY CLAIMS. OUR CUMULATIVE LIABILITY WILL BE LIMITED TO WHAT WAS PAID BY YOU OR ON YOUR BEHALF FOR THE SERVICE IN THE 12 MONTHS BEFORE THE CLAIM. THIS SECTION IS A FUNDAMENTAL PART OF THE BASIS OF OUR BARGAIN, WITHOUT WHICH ALLCLEAR ID WOULD NOT BE ABLE TO PROVIDE THE SERVICE, & WILL APPLY DESPITE THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. If some or all of the limitations & exclusions in Sections 11 & 13 are held unenforceable, warranties will be disclaimed, & AllClear ID's liability will be limited to the greatest extent permitted under applicable law.
- Compliance with Law.** You warrant that in using the Service, you will comply with all applicable laws, including without limitation with all regulations of agencies of the U.S. Government regarding export & re-export restrictions. You will hold harmless & defend, at our option, AllClear ID from any third party claim against AllClear ID arising from your failure to comply with this Agreement.
- Termination Procedure.** AllClear ID may require reasonable identification verification before completing any request to terminate the Agreement or to cancel the Service.
- General.** Any notice hereunder will be in writing & sent by mail, return receipt requested, by e-mail, or by reputable courier addressed to the other party (i) if to AllClear ID, the address set forth above or at support@allclearid.com & (ii) if to you, at the address or e-mail address you provide when you register for the Service, or at such other address of which you give notice in accordance with this provision. It is your responsibility to keep your contact information up to date. Notice will be deemed to have been given when delivered (as confirmed by receipt or other confirmation) or, if delivery is not accomplished by fault of the addressee, when tendered. This Agreement will be governed by the laws of Texas, without regard to conflict of laws. The U.N. Convention on Contracts for the International Sale of Goods does not apply. All disputes will be brought only in a court located in Travis County, TX, & to the fullest extent permitted under applicable law, you consent to the same as the exclusive jurisdiction for claims arising hereunder & waive any objection to venue of such courts. If any provision hereof is held unenforceable, the remaining provisions will be unaffected. Your rights may not be assigned without written consent by AllClear ID. AllClear ID may assign this Agreement. Failure or delay in enforcing this Agreement will not be deemed a waiver. This Agreement constitutes the entire agreement between the parties & supersedes all prior or contemporaneous agreements with respect to its subject matter. This Agreement may not be amended except in writing or a subsequent click to accept or telephonic method offered by AllClear ID. Certain businesses not affiliated with AllClear ID may display the AllClear ID or ID Guarantee logo and offer access to the AllClear ID service. Such use or offers should not be construed, in any respect, as an endorsement or guarantee by AllClear ID of the security practices of such businesses. Upon any termination or expiration of this Agreement, all terms will cease, except Sections 5 - 14, which survive.

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WRITER'S E-MAIL ADDRESS: LORI.NUGENT@WILSONELSER.COM

August 28, 2012

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Office of the Attorney General
NH Department of Justice
33 Capitol Street
Concord, NH 03301

Dear Attorney General Delaney:

We represent Database Designs Associates, Inc. ("Database Designs") with respect to an incident involving the exposure of certain personal information described in detail below. Database Designs is a small software development and web design company that provides technology services to its business clients, which primarily include nonprofits, labor unions, public-sector organizations, and small businesses. The Boston Teachers Union ("BTU") hired Database Designs to perform services related to BTU's database systems. In order to complete this project, Database Designs and its contractor were provided with certain personal information of BTU's members. Unfortunately, a laptop and flash drive containing limited personal information was stolen from a Database Designs contractor.

1. Nature of the security breach or unauthorized use or access.

On July 17, 2012, a Database Designs independent contractor was visiting family members at a nursing home in a suburb of New York. He was asked to leave the room briefly and when he returned, he discovered the backpack containing his laptop was missing. The laptop may have contained BTU members' first and last names, addresses, phone numbers, e-mail addresses, job titles, school assignments, school e-mail addresses and phone numbers, school employee ID numbers, and possibly union member status. The laptop did not contain any account login information. The laptop was password protected. No BTU information was contained on the flash drive.

2. Number of New Hampshire residents affected.

Sixty-one (61) New Hampshire residents were affected by the breach. A notification letter is in the process of being sent to the affected individuals via regular mail. A copy of the notification letter is included with this letter.

3. Steps you have taken or plan to take relating to the incident.

Upon learning of the theft, Database Designs quickly logged into a remote service tied to the data folder on the laptop. The data folder was set to “self destruct,” which automatically deletes all files contained in the folder, if and when the laptop connects to the Internet. Any attempt by the laptop to connect to the Internet triggers the self destruct mechanism and generate a report. To date, no such attempt has been logged.

Since the incident, all Database Designs employees and contractors have signed a new Written Information Security Plan confirming that no unencrypted personally identifiable information is stored on their laptops or mobile devices. Database Designs has also ensured that archival copies of data are physically secured off-site and/or encrypted. Database Designs is in the process of retraining its employees and contractors on the handling of sensitive data and will regularly audit each employee and contractor’s security profile on their mobile devices to ensure compliance with the WISP.

BTU has taken steps to prevent this type of event from happening again, including adopting a policy requiring that all work by outside vendors on its database must be performed using secure protocols, developing a written comprehensive information security program containing administrative, technical, and physical safeguards, and insisting that all further work on BTU’s database by outside vendors be performed in accordance with appropriate written contractual arrangements.

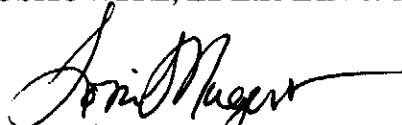
Because social security numbers were included on the laptop, Database Designs and BTU are providing individuals whose information was exposed with enhanced identity theft consultation and restoration services, and continuous credit monitoring for interested individuals through AllClear ID. We have been informed that law enforcement is working to recover the backpack and laptop. We currently have no indication that the information has been inappropriately accessed, misused or further disclosed.

4. Contact information.

Notification has been provided to the Consumer Reporting Agencies. If you have any additional questions, please contact me at lori.nugent@wilsonelser.com, or (312) 821-6117.

Very truly yours,

WILSON, ELSE, MOSKOWITZ, EDELMAN & DICKER LLP



Lori S. Nugent

cc: Stephanie Reiter, Wilson Elser
Steven Backman (sbackman@dbdes.com)
Matthew Dwyer (med@dwyerd.com)

Dear (Name):

We recently learned of a security incident that may have resulted in the disclosure of your personal information. At this time, we are not aware of any misuse of your personal information. We take the security of your information very seriously, and sincerely apologize for any inconvenience this may cause you.

Boston Teachers Union ("BTU") hired Database Designs Associates, Inc. ("Database Design") to perform services related to their database systems. In order to complete this project, BTU provided Database Designs with the personal information of its members. On July 17, 2012, an unencrypted laptop that may have contained your personal information was stolen from a Database Designs' contractor while he was visiting family members at a nursing home. Database Design conducted a thorough investigation, and determined that your name, address, phone number, e-mail address, social security number, job title, school assignment, school e-mail address and phone number, school employee ID, and possibly union member status may have been contained on the stolen laptop. No account login information was exposed. Although the laptop was not encrypted, it was password protected. We want to make you aware of this situation even though we believe it is unlikely that your information will be misused.

We want to assure you that BTU has taken steps to prevent this type of event from happening again, including adopting a policy requiring that all work by outside vendors on its database must be performed using secure protocols, developing a written comprehensive information security program containing administrative, technical, and physical safeguards, and insisting that all further work on BTU's database by outside vendors be performed in accordance with appropriate written contractual arrangements. Database Design also has taken steps to prevent this type of event from happening again, including enhancing the training of its employees and contractors on the handling of sensitive data, implementing additional physical, electronic, and procedural measures to enhance security processes already in place, ensuring that archival copies of data are physically secured off-site and/or encrypted, and ensuring that its employees and contractors do not have sensitive data stored on their laptops or mobile devices.

We take the security and privacy of information in our control very seriously. Thus, while we are unaware of any misuse of the information on the laptop and believe it unlikely that any misuse will occur, we have arranged for you to receive identity protection from AllClear ID at no cost to you. The services that will be provided include the following:

- Credit monitoring that delivers secure, actionable Credit Alerts to the customers by phone;
- \$1,000,000 Identity Theft Insurance Coverage; and
- AllClear ID Fraud Resolution Services.

To receive these identity protection services at no cost, you must register with AllClear ID. The AllClear ID services will be valid for 1 year from the date you register. You will need to provide AllClear ID with the redemption code that is listed at the top of this page. You may register online at enroll.allclearid.com or by mail using the enclosed mail-in registration form, or by phone by calling (877) 676-0382. Please see the enclosure to learn more about AllClear ID.

We sincerely regret any inconvenience or concern that this matter may have caused you. Please contact (877) 676-0382 with any questions or concerns.

Sincerely,

Sincerely,

Charles Johnson, Secretary-Treasurer
Boston Teachers Union

Steve Backman, President
Database Designs Associates, Inc.

U.S. State Notification Requirements

For residents of Hawaii, Michigan, Missouri, Virginia, and North Carolina: 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.

For residents of Iowa, Maryland, Missouri, North Carolina, Oregon, Vermont, and West Virginia:

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. 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 2104
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, Illinois, and North Carolina:

You can obtain information from the Maryland and North Carolina Offices of the Attorneys General and the Federal Trade Commission about fraud alerts, security freezes, and steps you can take toward preventing 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:

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.

For residents of Massachusetts and West Virginia:

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.

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 and free if 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.

You may obtain a security freeze by contacting any one or more of the following national consumer reporting agencies:

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

Free identity protection. Priceless peace of mind.



ENROLL NOW! Free Identity Protection That's Proven to Work.

AllClear ID provides a level of patented identity protection no other company can match. Only AllClear ID has an Alert Network that identifies potential attacks and delivers critical information to you by phone.

What You Get:

- Identity theft insurance covers financial losses
- Comprehensive identity recovery
- Early attack detection
- Live AllClear™ Investigators dedicated to your case
- Wallet Restoration
- Long-term identity repair service after initial service period
- AllClear ID ChildScan identifies fraud for minors under 18 years old

Free, Fast, Simple Enrollment.



Insurance Amount: \$1,000,000



ENROLL NOW

Redemption Code: <XXXXXXXX>

Online: enroll.allclearid.com

By Mail: Use form included in letter

Phone: Toll-free (877) 676-0382
Monday through Saturday
8am to 8pm Central Time

Deadline: November 30, 2012

Sign Up Today For Your FREE Identity Protection From AllClear ID.

Included in Your AllClear ID Protection:

AllClear Credit Monitoring	AllClear Credit Alerts	AllClear Investigators	Identity Theft Insurance	Long-term Identity Repair	ChildScan
AllClear ID constantly scans credit records for signs of activity that could indicate identity theft.	If there are changes to your credit file - like evidence that a thief has used your credit, you will get a secure call from AllClear ID.	If fraud is detected, licensed investigators repair your identity, saving you hundreds of hours.	If a thief steals your identity, you will be reimbursed for covered losses related to recovering your identity.	After your initial protection period has passed, you're protected with extra identity repair coverage for future issues.	If under 18, AllClear ID scans Social Security numbers and sends alerts if fraud is found, we will fully restore your child's identity.

www.AllClearID.com

AllClear ID
Alert Network



AllClear ID Corporate Address:
823 Congress Ave, Suite 300, Austin, Texas 78701
AllClear ID Mail Processing Center:
P.O. Box 3356, Suwanee, Georgia 30024-9847

Customer Support: (855) 434-8077
Support@AllClearID.com

End User Services Agreement

This agreement ("Agreement") is made by & between AllClear ID, Inc., formerly "Debix" ("AllClear ID"), having an address of 823 Congress Avenue, Ste. 300, Austin, TX 78701, & you ("you"). As of the date you register for or enroll in the Service, the parties agree as follows:

- Definitions.** The "Service" means the Premium Service and/or the Basic Service, for which you enroll, as the case may be, determined in accordance with your registration & the terms hereof. The "Premium Service" is one of the following, depending on your election at registration: (i) AllClear ID Pro (ii) AllClear ID Plus (iii) AllClear ID Guarantee. A Premium Service may include a Service that a third party is purchasing for you on your behalf, i.e. it may be free to you but still a Premium Service. The "Basic Service" is AllClear ID Basic and is provided at no cost. References to the Service include any use you make of the interface available at www.debix.com or www.allclearid.com (collectively, the "Site").
- Provision of the Service.** AllClear ID will provide you with the Service you elected at registration subject to the terms and conditions of this Agreement. A detailed description of the Service for which you are registered can be found in your profile which may be accessed by logging into the Site. **Term & Termination Re: Basic Service.** Your subscription to the Basic Service commences upon your registration, covers identity theft events occurring after registration, & terminates upon the earlier of (i) AllClear ID's notification to you of its discontinuance of the Basic Service offering, (ii) AllClear ID's election to terminate your Basic Service if you do not opt-in at the end of the then-current subscription period, or (iii) your election to terminate your subscription to the Basic Service, each of which may occur at any time.
- Subscription Fee.** The subscription fee for the Premium Service, if applicable, will be billed at the retail price currently in effect, at a previously approved & agreed-upon pricing, or in accordance with the applicable promotion code on the Site & according to the terms described herein. If you have questions regarding your fee, please contact customer service toll free at the applicable phone number listed above. AllClear ID will continue to bill your payment method on a periodic basis until the expiration or termination of your Premium Service. You may cancel your subscription for the Premium Service (if any) for which you have registered in accordance with Section 7. If you pay monthly & wish to cancel, you must call Customer Service prior to the start of the following month. If you pay for multiple months in advance & cancel your Premium Service prior to the end of the period for which you have paid, AllClear ID will refund payment for only any full, unused months. If someone has paid on your behalf and you cancel, you will not receive a refund.
- Free Trial.** If you receive a Premium Service as the result of a third party procuring it for you on your behalf, this Section is not applicable to you. If you are subscribing to a Premium Service on your own behalf, it may start with a free trial period. If you do not cancel before the end of such free trial period, you agree that AllClear ID is authorized to charge you a monthly subscription fee for such Premium Service at the current rate to the payment method you provided during registration. You must provide a valid payment method to enroll in any free trial. AllClear ID will begin billing your payment method for monthly subscription fees at the end of the free trial period, unless you cancel prior to the end of the free trial period. You will not receive a notice from us that your free trial period has ended or that the paying portion of your subscription has begun. **If you cancel prior to the end of your free trial period, there will be no charges to your payment method.**
- Scope of Coverage; Term & Termination of Premium Service.** If you are a subscriber to a Premium Service, your subscription to such Premium Service commences upon your registration. Additional action may be required by you in order to activate certain features of the Service. Failure to activate or use an available feature of the Service does not affect the cost of the Service. The Premium Service covers identity theft events discovered after registration. If a third party has procured the Premium Service on your behalf, your subscription to the Premium Service will terminate at the end of the term specified during registration, unless you opt to re-enroll. If you are subscribing to a Premium Service on your own behalf, then at the end of your initial subscription period, your subscription will automatically renew on a month to month basis until you terminate it in accordance with this Section or fail to provide payment when due. In addition, the Premium Service may be terminated or suspended at any time with or without notice if payment is not received when due or if you breach any of the terms & conditions set forth herein. If your subscription to the Premium Service expires because you fail to renew it or fail to provide payment when due, AllClear ID may convert you to the Basic Service for one (1) year, subject to the terms & conditions applicable to the Basic Service as set forth herein. If you transfer from one Service to another, the terms and description of such newly elected Service will apply. In the event that you elect to transfer to a new Service, you will forfeit any remaining entitlement in your previous Service. Notwithstanding the foregoing, if you are affected by two separate incidents from the same source company, your newly elected Service will continue after the term of your previous Service, with no forfeiture.
- Restrictions.** You will use any Service only for your benefit & for its intended purpose. You will not permit any third party to: (a) except as expressly set forth in this Agreement, use, copy, modify, create derivative works of, distribute, sell, sublicense, or transfer the Service; (b) remove or alter any AllClear ID notices or markings, or add any other notices or markings within the Service; (c) decrypt or attempt to decrypt the Service; (d) derive or attempt to derive the source code of or decompile the Service; or (e) disassemble or reverse engineer the Service. If statutory rights make any part of this section void, you will provide AllClear ID with detailed information regarding any such activity.
- Ownership.** This Agreement confers no ownership rights to you & is not a sale of rights in the Service. Ownership of all right, title, & interest in or to the Service & all Feedback & all intellectual property rights embodied therein are & will remain AllClear ID's exclusive property. You will take all reasonable actions to perfect such ownership, including without limitation executing instruments of assignment. AllClear ID reserves all rights in the Service & the intellectual property rights embodied therein not expressly granted hereby. The Service contains AllClear ID proprietary & confidential information. You will hold such information in confidence & not use or disclose it in any way except as expressly permitted hereunder, using no less than reasonable care. If you provide feedback &/or generate data in using the Service ("Feedback"), except to the extent set forth in our Privacy Policy you hereby assign all right, title, & interest therein to AllClear ID. If such assignment is ineffective, you agree to grant to AllClear ID a non-exclusive, perpetual, irrevocable, royalty free, worldwide license to use, reproduce, sublicense, distribute, modify, & otherwise exploit such Feedback without restriction.
- Support.** In connection with the Service, AllClear ID will provide the support specified on the Site from time to time.
- Disclaimer of Warranties.** ALL SERVICES ARE PROVIDED TO YOU "AS IS," WITHOUT WARRANTY, & ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PURPOSE, NON-INTERFERENCE, ACCURACY, & NON-INFRINGEMENT ARE DISCLAIMED. ALLCLEAR ID DOES NOT WARRANT THAT THE SERVICE WILL OPERATE WITHOUT INTERRUPTION, BE ERROR-FREE, OR ACHIEVE SPECIFIC RESULTS. THE SERVICE IS NOT A CREDIT COUNSELING SERVICE. ALLCLEAR ID DOES NOT PROMISE TO HELP YOU IMPROVE YOUR CREDIT RECORD, HISTORY, OR RATING.
- Authorization.** You authorize AllClear ID & its service providers to obtain & monitor your own information from credit reporting agencies and/or other monitoring services & send this information to you for your own use. You agree that this authorization shall constitute written instructions to obtain your credit information in accordance with the Fair Credit Reporting Act. If AllClear ID is unable to process the credit monitoring request, AllClear ID will make a reasonable effort to contact you. You certify that you have the express consent of all adults that you register to submit their information to AllClear ID with the intent to utilize the Service & to agree to this Agreement on their behalf. You also certify that each adult that you register for the Service has read & accepted the terms & conditions of this Agreement, and authorizes AllClear ID, & its service providers, to obtain & monitor his or her own credit information from credit reporting agencies & send this information to him or her alone for his or her own use. You agree that this authorization shall constitute written instructions to obtain his or her credit information in accordance with the Fair Credit Reporting Act. You certify that you are the parent/legal guardian of any and all children that you register for the Service. Information that AllClear ID collects from you will be treated in accordance with the AllClear ID Privacy Policy: <https://www.allclearid.com/legal/privacy-policy>.
- Limitation of Liability.** ALLCLEAR ID WILL NOT BE LIABLE FOR INDIRECT, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION COST OF COVER), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ALLCLEAR ID SHALL NOT BE LIABLE FOR ANY 3RD PARTY CLAIMS. OUR CUMULATIVE LIABILITY WILL BE LIMITED TO WHAT WAS PAID BY YOU OR ON YOUR BEHALF FOR THE SERVICE IN THE 12 MONTHS BEFORE THE CLAIM. THIS SECTION IS A FUNDAMENTAL PART OF THE BASIS OF OUR BARGAIN, WITHOUT WHICH ALLCLEAR ID WOULD NOT BE ABLE TO PROVIDE THE SERVICE, & WILL APPLY DESPITE THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. If some or all of the limitations & exclusions in Sections 11 & 13 are held unenforceable, warranties will be disclaimed, & AllClear ID's liability will be limited to the greatest extent permitted under applicable law.
- Compliance with Law.** You warrant that in using the Service, you will comply with all applicable laws, including without limitation with all regulations of agencies of the U.S. Government regarding export & re-export restrictions. You will hold harmless & defend, at our option, AllClear ID from any third party claim against AllClear ID arising from your failure to comply with this Agreement.
- Termination Procedure.** AllClear ID may require reasonable identification verification before completing any request to terminate the Agreement or to cancel the Service.
- General.** Any notice hereunder will be in writing & sent by mail, return receipt requested, by e-mail, or by reputable courier addressed to the other party (i) if to AllClear ID, the address set forth above or at support@allclearid.com & (ii) if to you, at the address or e-mail address you provide when you register for the Service, or at such other address of which you give notice in accordance with this provision. It is your responsibility to keep your contact information up to date. Notice will be deemed to have been given when delivered (as confirmed by receipt or other confirmation) or, if delivery is not accomplished by fault of the addressee, when tendered. This Agreement will be governed by the laws of Texas, without regard to conflict of laws. The U.N. Convention on Contracts for the International Sale of Goods does not apply. All disputes will be brought only in a court located in Travis County, TX, & to the fullest extent permitted under applicable law, you consent to the same as the exclusive jurisdiction for claims arising hereunder & waive any objection to venue of such courts. If any provision hereof is held unenforceable, the remaining provisions will be unaffected. Your rights may not be assigned without written consent by AllClear ID. AllClear ID may assign this Agreement. Failure or delay in enforcing this Agreement will not be deemed a waiver. This Agreement constitutes the entire agreement between the parties & supersedes all prior or contemporaneous agreements with respect to its subject matter. This Agreement may not be amended except in writing or a subsequent click to accept or telephonic method offered by AllClear ID. Certain businesses not affiliated with AllClear ID may display the AllClear ID or ID Guarantee logo and offer access to the AllClear ID service. Such use or offers should not be construed, in any respect, as an endorsement or guarantee by AllClear ID of the security practices of such businesses. Upon any termination or expiration of this Agreement, all terms will cease, except Sections 5 - 14, which survive.