



September 17, 2008

Honorable Kelly A. Ayotte  
Office of the Attorney General  
New Hampshire Department of Justice  
Consumer Protection and Antitrust Bureau  
33 Capitol Street  
Concord, New Hampshire 03301

Dear Attorney General Ayotte:

Pursuant to NH. Rev. Stat. §§ 359-C:20, this letter is to inform you that Gloria Jeans Coffee (Gloria Jean's) recently experienced a data security breach in its e-commerce site server hosted by Smith Micro, Inc. Gloria Jean's has reason to believe that the personal information of nineteen (19) of its online customers who reside in the State of New Hampshire have been accessed sometime between September 4<sup>th</sup>, 2008 and September 10<sup>th</sup>, 2008 without authorization. The total customers affected by this breach were five hundred and eleven (511). The personal information affected may include customer names, addresses, telephone numbers, emails, and credit card information. Gloria Jean's has not determined that any fraudulent credit card transaction has occurred as a result of this incident.

A full analysis of our e-commerce server files revealed on September 4<sup>th</sup>, 2008 an individual initiated modifications to our checkout web pages from a shared hosted IP address located in the United States. On September 10, 2008, the intrusion was identified and we learned that the modifications were able to access and screen capture the personal transaction information and dump the information to an external server and log file. At no time was our encrypted database exposed to this intrusion.

Once discovered, Gloria Jean's immediately undertook the following actions:

- ① Took its website off line and confirmed that there was no malicious or unauthorized code included as part of its website before returning the site was returned to service;
- ② Contacted the server host of the intruder's log file with consumer information to have the IP addressed disabled and inaccessible;
- ③ Installed server security solutions to detect and prevent any medications to our web pages with out proper authorization;
- ④ Locked down File Transfer Protocol ports (FTP) to specific IP's and implemented SSL encryption to this service for our website;

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- ⑤ Reported the incident and provided relevant materials to the United States Secret Service Electronics Crimes Task Force (ECTF);
- ⑥ Sent notice to affected customers by U.S. First Class mail and email (copies of letter sent have been included for your review);

Gloria Jean's investigation of this incident is ongoing in cooperation with its initial report and provision of materials to a representative from the ECTF. Gloria Jean's believes this letter is compliant with the notice requirements listed in N.H. Rev. Stat. §§ 359-C:20. If, however, you require additional information or documentation, please do not hesitate to contact us by telephone at (866) 721-4780. Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Phillips", followed by a horizontal line.

Russ Phillips  
CEO  
Gloria Jeans Coffee



**VIA FIRST CLASS MAIL AND  
ELECTRONIC MAIL**

**[Name/Address]**

Dear [Name]:

We regret to inform you that earlier this month, our [www.gloriajeans.com](http://www.gloriajeans.com) website was the subject of an illegal attack that allowed an unknown person or persons to obtain the addresses and credit card numbers of some of our valued customers as they were placing orders on our site.

This attack occurred between September 4, 2008 and September 10, 2008. Our records indicate that you placed an order with us on \_\_\_\_\_ using your [AMEX/MC/VISA] credit card. Because this order was placed during the period when our site was under attack, your credit card information was recorded and may have been compromised.

To protect yourself from the possibility of identity theft or unauthorized charges, we recommend that ***you immediately contact your credit card issuer and close your account.*** You should tell your credit card issuer that your account may have been compromised, review all charges on your account for potentially fraudulent activity, and ask that the issuer report your account as "closed at customer request." In obtaining a new credit card account, you may ask your credit card issuer to give you a PIN or password to help control access to the account.

Because we do not collect your Social Security Number or other financial account information, the attacker has access to only your credit card number, name and address. No other information was potentially compromised, nor were any of our databases or other system information comprised by this attack. Immediately upon learning about this potential compromise of your information, we took our site off-line and ensured that any and all malicious code was completely removed. Additionally, the file in which customer information was being recorded was also removed by the web host for that site. We also have added a number of additional security enhancements to our web site to prevent a recurrence of this attack and have reported this incident to the federal law enforcement authorities, with whom we are working during the investigation of this matter.

Although there is no evidence that the attacker obtained enough personal identifying information to affect your credit beyond potentially using the credit card, there are some additional steps you can take to protect yourself. First, you may place a ***fraud alert*** with credit bureaus and/or periodically run a credit report to ensure accounts have not been activated without your knowledge. If you determine that an account has been fraudulently established using your identity, you should contact law enforcement and the financial agency. The following references provide additional useful information about identity theft: