

NORDSTROM

November 7, 2013

Joseph Foster
New Hampshire Department of Justice
Office of the Attorney General
33 Capitol Street
Concord, NH 03301

Dear Attorney General Foster:

We take very seriously our obligation to safeguard the private information of our customers' and know that they place great trust in us. We are writing to alert your office to information we have about a potential threat from criminals who have targeted a small number of registers in our Florida Aventura Store. We want to share with you what we've come to learn has happened with these registers and the actions we've taken to respond and how we've notified the 1 customer in New Hampshire who may have potentially been impacted.

Summary of the Incident and Our Investigation

Nordstrom Inc operates 252 stores, and has approximately 30,000 registers in use. This incident affects 10 of our registers in one of our stores located in Florida at 19507 Biscayne Blvd, Aventura, FL 33180.

On the evening of Saturday October 5th, 2013 the Privacy department was notified that a register in our Aventura store had unauthorized keystroke logging devices attached to it. As a result of this report, we began an immediate and comprehensive investigation to evaluate, contain and remediate any impacts to our customers. We partnered with internal and external experts including law enforcement and Stroz Freidberg, a global digital forensics firm, to help us conduct more in-depth analyses.

We subsequently were able to determine that a total of 10 registers had unauthorized logging devices attached, and nine of these devices were recovered. The criminals worked in groups, so one person could distract the sales associates while another person surreptitiously attached a small data capture device to the keyboard cable at the back of the register. (The device is designed to closely resemble the cable plug, so that it was not visible to anyone using the register.) At this time, we believe that some cardholder data may have been compromised, although we cannot determine the impacted population with certainty. Our analysis of video records indicated that the attack existed from August 14th, 2013 until Oct 5, 2013.

Beyond the ten cash registers involved in the incident, we have conducted and found no evidence of a breach of Nordstrom systems, networks and servers. No Social Security numbers or other sensitive data elements were exposed. We have also implemented additional controls to identify, detect and alert on any new devices throughout Nordstrom stores. We have shared our investigation details with law enforcement agencies and continue to work with them. We understand that local law enforcement has made progress on the case, and we hope that an arrest will be made quickly.

What We Are Doing

We have taken the following actions to ensure that our customers are aware of this issue and steps they can take to further protect their personal information:

- We have provided our PCI security assessors with information on all the payment card transactions that were processed on the impacted registers during the time period. The PCI assessors have communicated this information to the payment card brands so that all the customer accounts can be monitored for fraud. We understand that the card issuers will also notify the affected customers.
- For those consumers that are known to Nordstrom, we are sending a notification letter to the mailing address we have on file for every customer whose account may have been accessed. A copy of our customer letter is attached for reference.
- We are also providing customers with a year of complimentary credit monitoring. Although no Social Security numbers were exposed, we want our customers to have access to the fraud resolution services that the credit monitoring product offers.
- To be able to respond to any specific customer questions related to this issue, we have a dedicated toll free number with a dedicated team of employees available at Nordstrom.com. The number is 1-866-554-6591.
- Although we have existing policies for store personnel regarding unauthorized access to our registers, we have bolstered these materials by providing store loss prevention teams with specific training on these types of keystroke loggers.
- We are working with Stroz Friedberg and other experts to determine additional controls that we may be able to implement.

We very much want to help protect our customers and to preserve their confidence shopping and would welcome additional conversations with you and your team about how to take future action in this regard.

We are happy to answer any other questions that you may have about this matter.

Sincerely,



Kim Dawson
Privacy Sr. Director
kim.dawson@nordstrom.com
(206) 454-4930

Customer Name

Date: October 31, 2013

Customer Street Address

Customer City, State ZIP

Re: Your XXXX Card ending in XXXX

Dear XXX:

We value the trust you put in Nordstrom when you choose to shop with us, and we work hard every day to continue to earn that trust. When you give us your business, you hold us to a high standard. We know that you expect your personal information at Nordstrom to be secure and protected and we take that responsibility very seriously. That is why we are writing to you.

We want to let you know about an important issue that may have impacted you and a small group of Nordstrom customers. On October 5, 2013, we found that an unauthorized person had put a small data capture device on one of the cash registers in our Aventura Mall store. We immediately reported this to law enforcement and have worked together on a full investigation. ~~We inspected all of our registers in the store and found a small number of additional devices. These unauthorized devices were designed to record information processed by the cash register, including credit card records. They captured only information that was sent to the register from the payment card reader or keyboard and recorded account data, including name, account number and expiration date. There were no Social Security Numbers involved and information within our store's computers and corporate systems and network was not compromised.~~

We do not have evidence that your information was taken or your account was compromised but out of an abundance of caution, we are reaching out to Aventura Mall customers who we have identified as possibly being impacted since August 14, 2013. We wanted you to be aware of what happened here and give you the assistance you may need including a complimentary credit monitoring product you may enroll in to help protect your personal information.

We are in the process of reaching out to each of our cardholders and may have already spoken with you. We have also taken the precautionary step of placing a "watch" on your current Nordstrom card to prevent your account number from being misused. If you would like your card replaced, or if you have questions or concerns regarding your Nordstrom Bank credit or debit card, don't hesitate to call us at **1-800-964-1800**.

What should you do?

Please review your credit card and bank account statements carefully and report any unexpected activity to us and your credit card company immediately. You can call our Privacy Department at **1-866-554-6591** if you find any suspicious activity or unfamiliar information associated with your account. We are continuing to investigate this situation, and we will do our best to help you with any of your concerns.

We are also offering a complimentary one-year membership to Experian's ProtectMyID product. Once your ProtectMyID membership is activated, ~~your credit report will be monitored daily for indicators of identity theft.~~ This product helps detect possible misuse of your personal information and provides you with identity protection services and resolution of identity theft. For more information about this product, including enrollment instructions, please see the attached page.

We realize you may have questions about this situation so we have a team of Nordstrom employees who are dedicated to answering your questions. Please contact our Privacy Department toll-free at **1-866-554-6591** with questions you may have.

We take these issues very seriously and we sincerely apologize for any inconvenience this situation may have caused you. We continue to take steps to prevent these types of incidents from happening, including taking extra measures to protect our registers from unauthorized access. We are also working with law enforcement and our merchant processor fraud team to pursue this matter to the fullest extent possible. Again, please do not hesitate to contact our dedicated team who can handle any specific questions or concerns related to this letter.

Sincerely,

Kim Dawson
Privacy Sr. Director, Nordstrom, Inc.

cc. Steven Mattics, President, Nordstrom Bank

Experian ProtectMyID™ Credit Monitoring Product

To help you protect your identity, Nordstrom is offering you a free one-year membership in Experian's ProtectMyID™ Alert product. Enrollment in ProtectMyID may help detect possible misuse of your personal information and provides you with superior identity theft prevention services focused on immediate identification and resolution of identity theft.

Free ProtectMyID Membership Enrollment Instructions

Visit: URL <http://www.protectmyid.com/redeem> or call 877-371-7902

Provide the following Activation Code: INSERT

Please note that to receive the free credit monitoring protection service, you must enroll before April 30, 2013.

ProtectMyID provides you with powerful identity protection that will help detect, protect and resolve potential identity theft. In the case that identity theft is detected, ProtectMyID will assign a dedicated U.S.-based Identity Theft Resolution Agent who will walk you through the process of fraud resolution from start to finish for seamless service.

Your complimentary 12-month ProtectMyID membership includes:

- **Credit Report:** A free copy of your Experian credit report
- **Daily Credit Monitoring:** Alerts you of suspicious activity including new inquiries, newly opened accounts, delinquencies, or medical collections.
- **Identity Theft Resolution:** If you have been a victim of identity theft, you will be assigned a dedicated, U.S.-based Experian Identity Theft Resolution Agent who will walk you through the fraud resolution process, from start to finish.
- **\$1 Million Identity Theft Insurance*:** As a ProtectMyID member, you are immediately covered by a \$1 Million insurance policy that can help you cover certain costs including, lost wages, private investigator fees, and unauthorized electronic fund transfers.

Once your enrollment in ProtectMyID is complete, you should carefully review your credit report for inaccurate or suspicious items. If you have any questions about ProtectMyID, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care team at 877-441-6943.

* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of Chartis, Inc. The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

Additional Information for Our Customers

You will have access to your Experian credit report as part of the credit monitoring product. We recommend that you check your other consumer reports annually. You may obtain a free copy of your credit report once every 12 months from each of the nationwide consumer reporting agencies by visiting <http://www.annualcreditreport.com> or by contacting the consumer reporting agencies at:

Equifax
(800) 685-1111
P.O. Box 740241
Atlanta, GA 30374-0241
www.equifax.com

Experian
(888) 397-3742
P.O. Box 9532
Allen, TX 75013
www.experian.com

TransUnion
(800) 916-8800
P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com

You may wish to place a fraud alert on your credit report. The fraud alert is a consumer statement that alerts creditors of possible fraudulent activity within your report as well as requests that they contact you prior to establishing any accounts in your name. Once the fraud alert is added to your credit report, all creditors should contact you prior to establishing any account in your name. To place a 90 day fraud alert on your Experian credit file, visit <https://www.experian.com/fraud/center.html> or call 1-888-EXPERIAN (1-888-397-3742) and follow the simple prompts. Once the fraud alert has been placed with Experian, a notification will be sent to the other two credit reporting agencies, Equifax and Trans Union, on your behalf.

We also recommend that you carefully review all your account statements during the next 24 months to make certain there have been no unauthorized transactions made or new accounts opened in your name. Contact your financial institutions immediately if there is unauthorized activity or if an unauthorized account has been opened in your name.

To learn more about identity theft, visit the Federal Trade Commission's website at www.ftc.gov/bcp/edu/microsites/idtheft/. You can call the Commission at 1-877-ID-THEFT (877-438-4338) or send mail to the Federal Trade Commission - Consumer Response Center at 600 Pennsylvania Avenue, NW, Washington, DC 20580.

Maryland residents may contact the state Attorney General's Office for more information about identity theft:

Office of the Maryland Attorney - General Consumer Protection Division
200 St. Paul Place, Baltimore, MD 21202
1-888-743-0023 - www.oag.state.md.us

North Carolina residents may contact the state Attorney General's Office for more information about identity theft:

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

Residents of West Virginia and Massachusetts have right to place a security freeze on your consumer reports. A security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, using a security freeze may delay your ability to obtain credit. You may request that a freeze be placed on your consumer report by sending a request to a credit reporting agency by certified mail, overnight mail or regular stamped mail to the address below.

Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013

TransUnion (FVAD)
P.O. Box 6790
Fullerton, CA 92834-6790

The following information should be included when requesting a security freeze: full name, with middle initial and any suffixes; Social Security number; full date of birth, current address and previous addresses for the past two years; and applicable fee (if any) or incident report or complaint with a law enforcement agency or the Department of Motor Vehicles. The request also should include a copy of a government issued identification card, such as a driver's license, state or military ID card, and a copy of a utility bill, bank or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue (statement dates must be recent).

The consumer reporting agency may charge a reasonable fee of up to \$5.00 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and have submitted a valid police report relating to the identity theft to the consumer reporting company.

NOV 12 2013
STATE OF NH
DEPT OF JUSTICE