



SHIPMAN & GOODWIN LLP.
COUNSELORS AT LAW

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July 9, 2008

Attorney General Kelly A. Ayotte
Office of Attorney General
33 Capitol Street
Concord, NH 03301

Re: Notice Of Data Security Breach pursuant to §359-C:20
of the New Hampshire Revised Statutes

Dear Attorney General Ayotte:


Shipman & Goodwin LLP represents Stanadyne Corporation whose corporate offices are located at 92 Deerfield Road, Windsor, CT ("Stanadyne"). The purpose of this letter is to provide to the Office of Attorney General the required notice of data security breach pursuant to §359-C:20 of the New Hampshire Revised Statutes (the "Statute").

For purposes of this notice, the data security breach occurred as a result of the theft of a Stanadyne laptop computer that contained certain personal information of four employees and retirees of Stanadyne who are residents of the State of New Hampshire. The compromised personal information included the names, addresses, dates of birth and social security numbers of the employees and retirees.

Specifically, on or about June 27, 2008, a Stanadyne laptop computer with sensitive employee data was stolen from an automobile belonging to a Stanadyne employee. Although a police investigation has not yet been concluded, Stanadyne believes that there is little chance that the laptop will be recovered. Stanadyne will continue to work with the appropriate authorities in an effort to complete the investigation into this incident.

Concurrent with the mailing of this notice, on July 9, 2008 Stanadyne mailed to the affected employees and retirees, including those that are New Hampshire residents, a notification letter describing in detail the data security breach and the employee's or retiree's personal information that was potentially compromised. Further, the letter advises its recipients that Stanadyne has arranged to provide one (1) year of credit monitoring services to each recipient for the purpose of monitoring their financial records. These services will be provided by Equifax for a period of twelve (12) months from the date the employee or retiree activates his or her coverage.

Sincerely,



Catherine Intravia

513102 v.01

STANADYNE

July 9, 2008

«Name»

«Addr1»

«Addr2»

«Addr3»

«City», «State» «Zip»

Activation code: «ActivationCode»

Dear «Name»:

We are writing to you because of a recent theft of a Stanadyne laptop computer that contained personal information of our U.S.-based employees and retirees, including names, addresses, dates of birth and social security numbers. Unfortunately, your information was part of this theft. Stanadyne immediately initiated an internal investigation to determine the contents of the stolen laptop, the manner in which the personal data was placed on the laptop and whether any company procedures had been violated. This letter will explain the circumstances surrounding this incident and the actions Stanadyne has taken to safeguard your information.

On or about June 27, 2008, a Stanadyne laptop computer with sensitive employee data was stolen from an automobile belonging to a Stanadyne employee. Although a police investigation has not yet concluded, we believe there is little chance that the laptop will be recovered. We will continue to work with the authorities to monitor this incident.

Stanadyne maintains records of information contained in laptop computers. This information is updated each time the laptop is connected to the company computer network. We are confident in our knowledge of the contents of the stolen laptop.

Although access to the laptop was password protected, there are procedures that could be used to bypass the login security of the machine. While there is no indication that the information included on the stolen laptop was the target of the theft, we must assume that it could eventually be misused to your detriment.

To date, there has been no report or indication that this laptop theft has resulted in identity theft. Nevertheless, Stanadyne wants you to know that we consider this loss of personal data a very serious matter and we apologize for any concern or inconvenience this may cause you.

We have arranged to provide you with one year of credit monitoring services to enable you to monitor your financial records. These services will be provided by Equifax for a period of 12 months from the date you activate your coverage. Your 12-month membership to Equifax Credit Watch – Gold with 3-in-1 Monitoring includes:

- Comprehensive credit file monitoring of your Equifax, Experian, and TransUnion credit reports with daily notification of key changes to your credit files from any of the three agencies.
- Wireless alerts and customizable alerts available

Stanadyne Corporation

92 Deerfield Road, Windsor, CT 06095-4209, USA Tel (860) 525-0821
www.stanadyne.com

- One 3-in-1 Credit Report and access to your Equifax Credit Report™
- \$20,000 in identity theft insurance with \$0 deductible, at no additional cost to you †
- 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance and in initiating an investigation of inaccurate information.

You have 60 days from the date of this letter to activate your account with Equifax, which will then continue for 12 months at no cost to you. Please see the enclosed instructions for activating your membership. Please note your special activation code which appears at the top of this letter. This code is required to activate your membership with Equifax. The choice to enroll with Equifax is entirely yours.

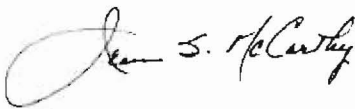
As you know, it is important to remain vigilant in the monitoring of your financial records by reviewing your account statements, monitoring free credit reports and reporting suspected incidents of identity theft to local law enforcement and/or your state's attorney general. If you are the victim of reported identity theft, you have the right to obtain a police report. On the second attachment to this letter, we have included contact information for the three credit reporting agencies and details regarding requesting a security freeze from these agencies.

You may also contact the Federal Trade Commission at 1-877-FTC-HELP (1-877-382-4357) or on the website at <http://www.ftc.gov>, where you can also obtain information about steps you can take to avoid identify theft.

Finally, I want to assure you that Stanadyne is taking extra precautions with employee sensitive data. We are reviewing our procedures for mobile electronic devices including laptops and Blackberrys, reviewing company policies for proper computer and network usage, and providing communications to targeted groups of our employees who, by nature of their jobs at Stanadyne, have access to employee sensitive data.

I hope you find the information in this letter, including the offer to provide credit monitoring services, helpful. If you have any questions, please contact Stanadyne via e-mail at questions@stanadyne.com. Alternatively, you may call Stanadyne at the following number and leave a message (860) 683-4566. We will respond promptly to all questions and concerns.

Sincerely,



Jean McCarthy
Vice President Human Resources

† Identity Fraud Expense Reimbursement Master Policy underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on our underwriting qualifications and state regulations. Coverage not available for residents of New York.

Attachment 1 – Instructions for activation of Equifax Credit Watch – Gold

On-line web based product:

Visit: www.myservices.equifax.com/tri

1. Consumer Information: complete the form with your contact information (name, address and e-mail address) and click “Continue” button. The information is provided in a secured environment.
2. Identity Verification: complete the form with your Social Security Number, date of birth, telephone #s, create a User Name and Password, agree to the Terms of Use and click “Continue” button. The system will ask you up to two security questions to verify your identity.
3. Payment Information: During the "check out" process, provide the activation code included with this letter in the “Enter Promotion Code” box (no spaces, include dash). After entering your code press the “Apply Code” button and then the “Submit Order” button at the bottom of the page. (This code eliminates the need to provide a credit card number for payment.)
4. Order Confirmation: – Click “View My Product” to access your 3-in-1 Credit Report and other product features.

Off-line or mail based product:

To sign up for US Mail delivery of the product, dial 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. Promotion Code: You will be asked to enter the activation code included with this letter (no spaces, **no dash**).
2. Customer Information: You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
3. Permissible Purpose: You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax can not process your enrollment.
4. Order Confirmation: Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided).

Directions for placing a Fraud Alert

A fraud alert is a consumer statement added to your credit report. This statement 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 fraud alert on your credit file, visit: www.fraudalerts.equifax.com or you may contact our auto fraud line at 1-877-478-7625, and follow the simple prompts. Once the fraud alert has been placed with Equifax, a notification will be sent to the other two credit reporting agencies, Experian and Trans Union, on your behalf.

Attachment 2 – Additional information regarding credit reporting

In addition to the enrollment in Equifax Credit Watch – Gold that we provide, you can place a security freeze on your credit report. When you place a security freeze on your credit report, you will need to lift the security freeze each time that you apply for credit or a loan; apply for insurance; or wish to grant access to your credit report to a potential employer. To place a security freeze on your credit report, you need to write to each of the three credit bureaus at their addresses below:

Equifax Security Freeze
P.O.Box 105788
Atlanta, GA 30348
(800) 685-1111

Experian Security Freeze
P.O.Box 9554
Allen, TX 75013
(888) 397-3742

Trans Union Security Freeze
P.O. Box 6790
Fullerton, CA 92834-6790
(800) 916-8800

For each letter, you must:

- (1) Send the letter by certified mail;
- (2) Provide your full name (including middle initial as well as Jr., Sr, II, III, etc.), address, Social Security number, and date of birth;
- (3) If you have moved in the past five (5) years, provide the address of each place you lived over the prior five (5) years;
- (4) Provide proof of your current address, such as a current utility or phone bill;
- (5) Provide a photocopy of a government-issued identification card (such as a driver's license or government identification card); and
- (6) Provide payment of the applicable fee.*

* The actual amount of the fee depends on state law where you reside (more information on individual state laws regarding security freezes can be accessed at http://www.consumersunion.org/campaigns/learn_more/003484indiv.html). For example, for Massachusetts residents, there is no fee for identity theft victims or the victim's spouse. Otherwise, the fee is \$5 to place the freeze, lift it temporarily, or remove it altogether.