BakerHostetler

Baker&Hostetler LLP

[redacted]

STATE OF NH
DEPT OF JUSTICE
2014 DEC -8 AM 10: 17

December 5, 2014

VIA OVERNIGHT DELIVERY

Office of the Attorney General
33 Capitol Street
Concord, NH 03301
Attn: Attorney General Joseph Foster

Re: Incident Notification

Dear Attorney General Foster:

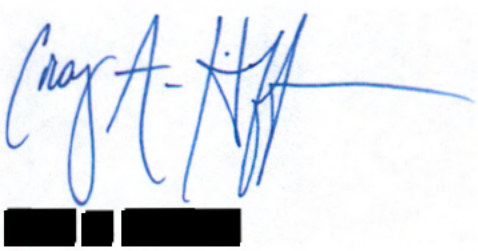
Our client, bebe stores, Inc., recognizes the importance of the privacy and confidentiality of the personal information of its customers. We are writing to notify you that bebe recently detected suspicious activity on computers that operate the payment processing system for its stores. bebe immediately engaged a leading computer security firm and worked with them to block the attack from continuing. Based on the investigation to date, the attack was focused on and limited to data from payment cards swiped in bebe's U.S., Puerto Rico and U.S. Virgin Islands stores during a short window from November 8, 2014 to November 26, 2014. This data may have included cardholder name, account number, expiration date, and verification code. Purchases made through bebe's website, mobile site/application, in Canada or its other international stores were not affected.

bebe is notifying all customers who made a purchase using a payment card in bebe's U.S., Puerto Rico, and U.S. Virgin Islands stores from November 8, 2014 to November 26, 2014. Because the investigation is ongoing, the total number of affected customers is not presently known. In addition to issuing a press release and posting a notice on its website, a copy of which is enclosed, bebe is working to identify those potentially affected customers for whom it has sufficient information to mail a letter or send an e-mail. Although the investigation

is ongoing, we believe we are able to identify the mailing or email address for approximately 55 residents of New Hampshire, which we believe represents most of the affected individuals of this state. bebe is providing these customers with a complimentary one-year membership to Experian's® ProtectMyID® Alert.

Since stopping the attack, bebe has been working with the computer security firm to implement enhanced security measures. Please do not hesitate to contact me if you have any questions.

Sincerely,



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Enclosure

BEBE STORES, INC IDENTIFIES AND STOPS PAYMENT CARD SECURITY INCIDENT

bebe stores, inc. recognizes the importance of protecting the payment card information of our customers. We recently detected suspicious activity on computers that operate the payment processing system for our stores. We immediately engaged a leading computer security firm and worked with them to block the attack from continuing. Based on our investigation to date, we believe the attack was focused on and limited to data from payment cards swiped in our U.S., Puerto Rico and U.S. Virgin Islands stores during a short window between November 8, 2014 and November 26, 2014. This data may have included cardholder name, account number, expiration date, and verification code. Purchases made through our website, mobile site/application, or in Canada, or our other international stores were not affected. Customers can feel confident in continuing to use their payment cards in our stores.

bebe wanted to let its customers know about this incident as soon as it could. If you used a payment card at a U.S., Puerto Rico or U.S. Virgin Islands store during this time frame, you should review your account statements for any unauthorized activity. If you see any unauthorized charges, contact the bank that issued the card. The credit card companies typically guarantee that cardholders will not be responsible for fraudulent charges. You should also review the "More Information on Ways to Protect Yourself" section below.

"Our relationship with our customers is of the highest importance," said Jim Wiggett, Chief Executive Officer, bebe. "We moved quickly to block this attack and have taken steps to further enhance our security measures."

To assist customers who may have been affected by this incident, bebe is offering credit monitoring services for one year at no cost to customers who made a purchase using a payment card at a U.S., Puerto Rico or U.S. Virgin Islands store during that time frame. To obtain enrollment information please call 888-236-0447, Monday through Friday, 6 a.m. to 6 p.m. PST.

We have notified our payment processor, which is working with the credit card companies to provide them with the account numbers for cards used during the period at issue so that the banks that issued those cards can be alerted. When banks receive these alerts, they can conduct heightened monitoring of transactions to detect and prevent unauthorized charges. bebe regrets any inconvenience this incident may cause. For more information on this incident please visit, www.bebe.com or call 888-236-0447, Monday through Friday, 6 a.m. to 6 p.m. PST.

MORE INFORMATION ON WAYS TO PROTECT YOURSELF

We recommend that you remain vigilant by reviewing your account statements and credit reports for any unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report please visit www.annualcreditreport.com or call toll free at 1-877-322-8228. Contact information for the three nationwide credit reporting companies is as follows:

Equifax, PO Box 740256, Atlanta, GA 30374,www.equifax.com, 1-800-525-6285
Experian, PO Box 9554, Allen, TX 75013, www.experian.com,1-888-397-3742
TransUnion, PO Box 6790, Fullerton, CA 92834,www.transunion.com, 1-800-680-7289

If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the attorney general's office in your home state. Contact information for the Federal Trade Commission is as follows:

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
www.ftc.gov | 1-877-438-4338

You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You should also contact your local law enforcement authorities and file a police report. Obtain a copy of the police report in case you are asked to provide copies to creditors to correct your records.

If you are a resident of Maryland, you may contact the Maryland Attorney General's Office at 200 St. Paul Place, Baltimore, MD 21202, www.oag.state.md.us, 1-888-743-0023.

If you are a resident of Massachusetts, note that pursuant to Massachusetts law, you have the right to obtain a copy of any police report.

Massachusetts law also allows consumers to request a security freeze. A security freeze prohibits a credit reporting agency from releasing any information from your credit report without written authorization. Be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing, or other services.

The fee for placing a security freeze on a credit report is $5.00. If you are a victim of identity theft and submit a valid investigative report or complaint with a law enforcement agency, the fee will be waived. In all other instances, a credit reporting agency may charge you up to $5.00 each to place, temporarily lift, or permanently remove a security freeze. If you have not been a victim of identity theft, you will need to include payment to the credit reporting agency to place, lift, or remove a security freeze by check, money order, or credit card.

To place a security freeze on your credit report, you must send a written request to each of the three major reporting agencies by regular, certified, or overnight mail at the addresses below:

Equifax, PO Box 740256, Atlanta, GA 30374,www.equifax.com, 1-800-525-6285
Experian, PO Box 9554, Allen, TX 75013, www.experian.com,1-888-397-3742
TransUnion, PO Box 6790, Fullerton, CA 92834,www.transunion.com, 1-800-680-7289

In order to request a security freeze, you will need to provide the following information:

- Your full name (including middle initial as well as Jr., Sr., II, III, etc.)
- Social Security number
- Date of birth
- If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years
- Proof of current address such as a current utility bill or telephone bill
- A legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.)
- If you are a victim of identity theft, include a copy of the police report, investigative report, or complaint to a law enforcement agency concerning identity theft

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number ("PIN") or password or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and Social Security number) and the PIN number or password provided to you when you placed the security freeze as well as the identity of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and Social Security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

If you are a resident of North Carolina, you may contact the North Carolina Attorney General's Office at 9001 Mail Service Center, Raleigh, NC 27699, www.ncdoj.gov, 1-919-716-6400.

If you are a resident of West Virginia, you also have the right to ask that nationwide consumer reporting agencies place "fraud alerts" in your file to let potential creditors and others know that you may be a victim of identity theft. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you. It also may delay your ability to obtain credit. You may place a fraud alert in your file by calling one of the three nationwide consumer reporting agencies. Contact information for each of the three credit reporting agencies is as follows:

Equifax, PO Box 740256, Atlanta, GA 30374,www.equifax.com, 1-800-525-6285
Experian, PO Box 9554, Allen, TX 75013, www.experian.com,1-888-397-3742
TransUnion, PO Box 6790, Fullerton, CA 92834,www.transunion.com, 1-800-680-7289

As soon as that agency processes your fraud alert, it will notify the other two, which then also must place fraud alerts in your file. You may choose between two types of fraud alert. An initial alert (Initial Security Alert) stays in your file for at least 90 days. An extended alert (Extended Fraud Victim Alert) stays in your file for seven years. To place either of these alerts, a consumer reporting agency will require you to provide appropriate proof of your identity, which may include your Social Security number. If you ask for an extended alert, you will have to provide an identity theft report. An identity theft report includes a copy of a report you have filed with a federal, state, or local law enforcement agency, and additional information a consumer reporting agency may require you to submit. For more detailed information about the identity theft report, visit www.ftc.gov/idtheft/.

You may also obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You have a right to place a security freeze on your credit report pursuant to West Virginia law. The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans and services from being approved in your name without your consent. When you place a security freeze on your credit report, within five business days you will be provided a unique personal identification number ("PIN") or password to use if you choose to remove the freeze on your credit report or to temporarily authorize the distribution of your credit report for a period of time after the freeze is in place. To provide that authorization, you must contact the consumer reporting agency and provide all of the following:

1. The unique personal identification number ("PIN") or password provided by the consumer reporting agency;
2. Proper identification to verify your identity; and
3. The period of time for which the report shall be available to users of the credit report.

A consumer reporting agency that receives a request from a consumer to temporarily lift a freeze on a credit report shall comply with the request no later than three business days after receiving the request.

A security freeze does not apply to circumstances in which you have an existing account relationship and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control or similar activities.

If you are actively seeking credit, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around or specifically for a certain creditor, a few days before actually applying for new credit.