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February 4, 2010

**BY FACIMILE TO: (603) 223-6202**  
**AND BY FIRST CLASS MAIL**

Ms. Mary Thayer, Legal Asst.  
Consumer Protection Bureau  
Department of Justice  
State of New Hampshire  
33 Capitol Street  
Concord, NH 03301

**RE: Daedalus Books, Inc.**

Dear Ms. Thayer:

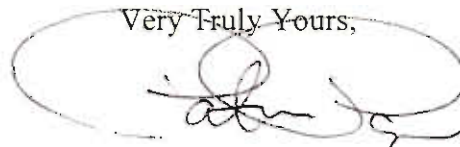
This is in reply to your correspondence of January 27<sup>th</sup> (a copy of which is attached) relevant to the Notification sent by this firm to the State of New Hampshire a few weeks back on behalf of our client, Daedalus Books, Inc. (the "Company").

Per your request, attached please find a copy of the form of Customer Notification letter sent by the Company to all customers potentially affected by the breach of confidential information -- including all the Company's customers who are residents of the State of New Hampshire.

I trust that the forgoing is responsive to your inquiry.

If you require further information or you have any questions regarding this situation please do not hesitate to call or send an email.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'Patricia L. Payne', enclosed within a large, hand-drawn oval.

Patricia L. Payne

PLP/vsp  
Attachment

Daedalus Books  
9645 Gerwig Lane  
Columbia, MD 21046



<date>

[Daedalus Customer Number]  
[FIRST NAME] [LAST NAME]  
[STREET ADDRESS]  
[CITY], [STATE] [ZIP]

Dear [FIRST NAME] [LAST NAME],

We are writing to you because of a recent data security incident at Daedalus Books that may have involved some of your personal information.

The Company recently discovered that personal information may have been acquired by an unauthorized person through one of the Company's web servers.

While we are uncertain whether your personal information was accessed, we have determined that someone had unauthorized access to orders, names, addresses, and credit card information placed on our **website** between August 25, 2009 and November 23, 2009.

Therefore, we wish to bring this situation to your attention and urge you to take action to monitor your affected credit card account in order to minimize your potential risk of illegal use of your credit cards and identity theft.

In December, the Company became aware of the unauthorized access and our computer security staff immediately blocked access to our website server and began an emergency investigation. The Company also promptly notified all credit card companies, including Visa, Master Card, Discover, and American Express, and began immediately notifying all appropriate federal and state law enforcement agencies.

Also, while Daedalus Books currently utilizes sophisticated information security measures to protect its website server, the Company accelerated additional security measures that were already under way, and new security measures were added.

To assist you in protecting your personal information, we have arranged to provide you with a toll free hotline at <toll free>, staffed by identity theft experts. The service is provided through First Advantage Membership Services, one of the largest credit education and identity theft mitigation companies in the country. You should also review the advisory summary following this letter.

We take seriously the obligation to safeguard the personal information of our customers. We are making every effort to enhance security to make sure this does not happen again.

If you have any further questions or concerns we ask that you contact us through the toll-free number <toll free>.

Sincerely,

Robin Moody  
President, Daedalus Books

## What You Should Do to Protect Your Personal Information

Although your confidential information may not have been accessed, we urge our customers to treat any data security incident seriously, and recommend you consider taking one or more of the following steps to protect your personal information.

1. As a first step, we recommend that you closely monitor your financial accounts, and if you see any unauthorized activity, that you promptly contact your financial institution to report this activity. If you aren't already doing so, please pay close attention to all bills and credit-card charges you receive for items you did not contract for or purchase. Review all of your bank account statements frequently for checks, purchases, or deductions not made by you. Note that even if you do not find suspicious activity initially, you should continue to check this information periodically since identity thieves sometimes hold on to stolen personal information before using it.
2. You may wish to consider requesting a free credit report from the three credit reporting companies. Additionally, you may wish to contact the nationwide credit-reporting agencies to:
  - Add a security alert statement to your credit file at all three national credit-reporting agencies: Equifax, Experian, and TransUnion. You only need to contact one of the three agencies listed below; your request will be shared with the other two agencies. This security alert will remain on your credit file for 90 days.
  - Remove your name from mailing lists of pre-approved offers of credit for approximately six months.
  - Receive a free copy of your credit report by going to [www.annualcreditreport.com](http://www.annualcreditreport.com)

Equifax  
P.O. Box 740256  
Atlanta, GA  
(800) 525-6285  
[www.equifax.com](http://www.equifax.com)

Experian  
P.O. Box 9554  
Allen, TX 75013  
(888) 397-3742  
[www.experian.com/consumer](http://www.experian.com/consumer)

TransUnion  
P.O. Box 2000  
Chester, PA 19022  
(800) 888-4213  
[www.transunion.com](http://www.transunion.com)

3. The Federal Trade Commission ("FTC") offers consumer assistance and educational materials relating to identity theft and privacy issues. The FTC can be contacted either by visiting [www.ftc.gov](http://www.ftc.gov) or by calling (877) 438-4338. If you suspect or know that you are the victim of identity theft, you should report it to appropriate law enforcement and you can report it to the Fraud Department of the FTC, who will collect all information and make it available to law-enforcement agencies. Contact information for the FTC is:

Federal Trade Commission  
Consumer Response Center  
600 Pennsylvania Avenue NW  
Washington, DC 20580

4. *For New Hampshire Residents:* The contact information for the State's Attorney General is

Attorney General  
Department of Justice  
33 Capitol Street  
Concord, NH 03301-6397

Website: <http://www.doj.NH.gov>  
Telephone number: (603) 271-6358