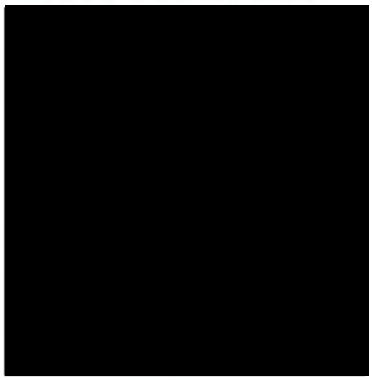
Moore&VanAllen



April 22, 2015

Office of the Attorney General
Consumer Protection and Antitrust Bureau
33 Capitol Street
Concord, NH 03301

Re: Notification of Security Breach

Dear Sir or Madam:

We are writing on behalf of our client, Freedom Smokes, Inc. ("MFS"), pursuant to N.H. Rev. Stat. § 359-C:20, to notify you of a security breach that may affect approximately ninety-seven (97) New Hampshire residents.

Synopsis of Events Surrounding the Breach

MFS recently learned that between approximately February 11, 2015 and March 16, 2015, electronic data that included customer information for individuals in various states may have been improperly obtained through unauthorized access to the website for MFS. Specifically, MFS discovered unauthorized code on the website and, although the code was encrypted, MFS believes that this code may have been used to obtain customer data as customers entered the information into the site's shopping cart while making a purchase on the website. This data could include customer name, physical address, email address, telephone number, credit card number, expiration date and card verification value ("CVV"), if provided by the customer while placing an order with MFS through its website during the time period mentioned above. The records reflect that ninety-seven (97) of the potentially affected customers have New Hampshire addresses.

Notice to Affected Residents

MFS will provide written notice of this incident to New Hampshire residents soon, in substantially the same form as the letter attached hereto as Exhibit A.

Steps Taken Relating to the Incident

As soon as the code was discovered, MFS removed the code and began immediate efforts to restore the security of its website, secure customer information and determine the scope of the unauthorized access and how it occurred. MFS also retained the services of a nationally recognized cyber security firm and engaged in enhancements to the security of its website. MFS does not retain full credit card numbers or CVV numbers of its customers. Further, although MFS' website uses encrypted SSL links with customers and although MFS' card processor

gateway during this period also was encrypted, MFS has changed its process for taking orders online and has moved to an enhanced system to protect customer information.

Contact Information

Should you have any questions regarding this notification or other aspects of the incident, please contact me by phon[redacted] or by email a[redacted] My mailing address is [redacted]

Sincerely,

[redacted]

EXHIBIT A

April **[day]**, 2015

Dear Customer,

We are contacting you as a precautionary measure to let you know about a data security incident that might affect your customer information.

Potential Data Security Breach

We identified that between approximately February 11, 2015 and March 16, 2015, electronic data may have been improperly obtained through unauthorized access to the website for MyFreedomSmokes ("MFS"). Specifically, on March 16, 2015, we discovered unauthorized code on the website and, although the code was encrypted, we believe that this code may have been used to obtain customer data as customers entered the information into the site's shopping cart while making a purchase on the website. This data could include customer name, physical address, email address, telephone number, credit card number, expiration date and card verification value ("CVV") number, if provided by the customer while placing an order with MFS through the website during the time period mentioned above. As soon as this code was discovered, MFS removed the code and began immediate efforts to restore the security of the website, secure customer information and determine the scope of the unauthorized access and how it occurred. We also retained the services of a nationally recognized cyber security firm and engaged in enhancements to the security of our website. MFS does not retain full credit card numbers or CVV numbers of our customers. Further, although MFS' website uses encrypted SSL links with customers and although MFS' card processor gateway during this period also was encrypted, MFS has changed its process for taking orders online and has moved to an enhanced system to protect customer information.

Although we have no evidence confirming that illegal use of any personal information has occurred or that any material harm will result to any customer as a result of this incident, some customers have reported fraudulent charges on their payment cards during the period noted above. Therefore, we want to alert you this risk and inform you of actions that you can take to help protect against identity theft.

Recommendations for Protecting Your Identity

- Use good judgment in not responding to emails or other inquiries by those posing as a financial institution or other entities seeking your personal information.
- Carefully review all account statements and, if anything seems suspicious, place a fraud alert on your credit file. A fraud alert tells creditors to contact you before opening any new accounts or changing your existing accounts.
- Check your credit reports periodically. Victim information sometimes is held for use or shared among a group of thieves at different times. Checking your credit reports periodically can help you spot problems and address them quickly.

Steps You Can Take to Protect Your Information

- **Review Your Account Statements and Notify Law Enforcement of Suspicious Activity**

As a precautionary measure, we recommend that you remain vigilant by reviewing your account statements and credit reports closely. If you detect any suspicious activity on an account, you should promptly notify the financial institution or company with which the account is maintained. You also should promptly report any fraudulent activity or any suspected incidence of identity theft to proper law enforcement authorities, your state attorney general, and/or the Federal Trade Commission ("FTC").

To file a complaint with the FTC, go to www.ftc.gov/idtheft or call the toll-free number 1-877-IDTHEFT (1-877-438-4338). Complaints filed with the FTC will be added to the FTC's Identity Theft Data Clearinghouse, which is a database made available to law enforcement agencies.

- **Copy of Credit Report**

You may obtain a free copy of your credit report from each of the three major credit reporting agencies once every 12 months by visiting http://www.annualcreditreport.com, calling toll-free 1-877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, PO Box 105281, Atlanta, GA 30348. You can print a copy of the request form at https://www.annualcreditreport.com/manualRequestForm.action. Or you can elect to purchase a copy of your credit report by contacting one of the three national credit reporting agencies. Contact information for the three national credit reporting agencies for the purpose of requesting a copy of your credit report or for general inquiries is as follows:

Equifax	Experian	TransUnion
(800) 685-1111	(888) 397-3742	(800) 888-4213
www.equifax.com	www.experian.com	www.transunion.com
PO Box 740241	475 Anton Blvd.	2 Baldwin Place
Atlanta, GA 30374	Costa Mesa, CA 92626	PO Box 1000
		Chester, PA 19022

- **Fraud Alert**

An initial fraud alert on your credit report is free and will stay on your credit file for at least 90 days. The alert informs creditors of possible fraudulent activity within your report and requests that the creditor contact you prior to establishing any accounts in your name. To place a fraud alert on your credit report, contact any of the three credit reporting agencies using the contact information below:

Equifax	Experian	TransUnion
(888) 766-0008	(888) 397-3742	(800) 680-7289
www.alerts.equifax.com	www.experian.com/fraud	www.transunion.com
PO Box 740241	475 Anton Blvd.	PO Box 2000
Atlanta, GA 30374	Costa Mesa, CA 92626	Chester, PA 19022-2000

- **Security Freeze**

In New Hampshire, you have the right to put a security freeze on your credit file. This will prevent a credit reporting agency from releasing your report without your express authorization. A security freeze is designed to prevent potential creditors from accessing your credit report without your consent. As a result, using a security freeze may interfere with or delay your ability to obtain credit. You must separately place a security freeze on your credit file with each credit reporting agency. If you request a security freeze from a consumer reporting agency there may be a small fee to place, lift or remove the security freeze.

You can obtain information from the FTC or any of the three credit reporting agencies about fraud alerts and security freezes using the contact information provided above.

- **Additional Free Resources on Identity Theft**

The FTC provides tips on how to avoid identity theft. For more information, please visit http://www.ftc.gov/idtheft or call 1-877-ID-THEFT (1-877-438-4338). A copy of "Taking Charge: What to Do if Your Identity is Stolen," a comprehensive guide from the FTC to help you guard against and respond to identity theft can be found on the FTC's website at http://www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idt04.shtm.

Suspicious Activity and Questions

If you find suspicious activity on your credit reports, have reason to believe your information is being misused, or otherwise have any questions or concerns, please contact us toll-free at 1-855-705-4246, 8 a.m. - 5 p.m. EST, Monday through Friday.

If you provided MFS with a military APO or FPO address, please see the attached addendum for additional information.

We apologize for any inconvenience or anxiety this may cause you. Please know that securing your information is a priority. Finally, we thank you for being an MFS customer.

Sincerely,

Mark Schaffner, COO

Freedom Smokes, Inc.

NH

Addendum

An **APO or FPO** address does not indicate a military member's legal place of residence. If you provided MyFreedomSmokes with an APO or FPO address, please contact us as soon as possible to provide us with your legal residence as your state's notice requirements may differ from the information provided to you above.