

October 5, 2011

Attorney General Michael Delaney
New Hampshire Office of the Attorney General
33 Capitol Street
Concord, NH 03301

Dear Sir or Madam:

Axsys Technologies determined on September 13, 2011 that a network drive containing Human Resources data for some current and former employees was accessible to employees who used the Axsys network from July 16, 2011 until July 20, 2011. The drive was inadvertently made accessible during the process of moving data to a new server. The issue was corrected on July 20, 2011. Although some files on the drive included current and former employees' names, and Social Security numbers, there is no evidence that those files were accessed.

The relevant files contained the personal information of 339 New Hampshire residents. We are offering one year of credit monitoring to these individuals. The form of the notice to be sent to this individual on October 5, 2011 is attached for your information.

Axsys deeply regrets this incident occurred. We are keenly aware of how important it is to safeguard information entrusted to our organization. In response, we have taken steps to ensure the situation is not repeated.

If you have any questions about this incident, please do not hesitate to contact me.

Respectfully,



Gary J. Campbell

Enclosure

GENERAL DYNAMICS

Advanced Information Systems

[[Appropriate Header for Axsys]]

October 5, 2011

EMPLOYEE NAME
EMPLOYEE ADDRESS
EMPLOYEE ADDRESS

Dear EMPLOYEE NAME:

We regret to inform you about an incident that may have put your personal information at risk. Be assured that we are taking actions to prevent a recurrence and we regret any inconvenience. However, we want to make sure you have information to protect yourself if needed.

Specifically, we determined that between July 16, 2011 and July 20, 2011, a network drive containing Human Resources data for some current and former employees was accessible to employees who used the Axsys network. The drive was inadvertently made accessible during the process of moving data to a new server. The issue has been corrected. We also launched an investigation. Although some files on the drive included your name and Social Security number, we have no evidence that files containing these data elements were accessed. Accordingly, we do not believe there has been any misuse of this information. However, out of an abundance of caution, we are informing you about this incident so that you may properly evaluate what actions to take to protect yourself.

To help you detect the possible misuse of your personal information, we are providing you with a complimentary one year membership in Experian's Triple AdvantageSM Premium credit monitoring product at no cost to you. Triple Advantage Premium will monitor your credit reports at the three national credit reporting companies: Experian, Equifax[®] and TransUnion[®] and notify you of key changes. Triple Advantage Premium is a powerful tool that will help you identify potentially fraudulent use of your information. Your Triple Advantage Premium membership is completely free and will not hurt your credit score.

Your complimentary 12-month **Triple AdvantageSM Premium** membership includes:

- Triple Advantage Premium monitors your credit reports every day so you don't have to
- Email alerts when key changes are detected so you can act quickly
- A free three bureau credit report and score
- If you become a victim of fraud or identity theft, a Fraud Resolution Team will assist you with the recovery process, every step of the way
- \$25,000 in identity theft insurance provided by Virginia Surety Company, Inc. with no deductible

You have ninety (90) days from the date of this letter to activate this membership, which will then continue for 12 full months. We encourage you to activate your credit monitoring membership as soon as possible.

The web site to enroll in Triple Advantage Premium and your individual activation code are both listed below. To sign up, please visit the web site and enter your individual activation code. Please keep in mind

October 5, 2011
Page 2

that once activated, the code cannot be re-used for another enrollment. The web site will guide you through the process of enrolling in Triple Advantage Premium. If you need technical assistance, please call 866-252-0121.

Triple Advantage Premium Web Site: <http://partner.consumerinfo.com/premium>
Your Activation Code: ??????????

If you wish to enroll over the phone for delivery of your membership via US mail, please call 866-252-0121.

Again, your Triple Advantage Premium membership is completely free and will not hurt your credit score.

Even if you do not choose to enroll in Experian's Triple AdvantageSM Premium credit monitoring product, there are other steps you can take to protect yourself. Please see information in the "Additional Information" attachment about how you can place a fraud alert and/or credit freeze on your credit file and how you can obtain a free copy of your credit report. In addition, please note that if you receive an unsolicited request to confirm any sensitive personal information, such as your Social Security Number, or request for your credit card number to provide services such as credit monitoring, such request is not from Axsys and you should not provide any of this information.

Axsys is committed to fully protecting all of the information that is entrusted to us. If you should have any additional questions about this incident, please contact me.

Sincerely,

[Insert appropriate signature line]

Additional Information

Even if you do not feel the need to register for the credit monitoring service, we recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report once every 12 months by visiting <http://www.annualcreditreport.com>, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

You can print a copy of the request form at <http://www.ftc.gov/bcp/menus/consumer/credit/rights.shtm>. You can also purchase a copy of your credit report by contacting one of the three national consumer reporting agencies:

Equifax
800-525-6285
www.equifax.com
P.O. Box 740241
Atlanta, GA 30374-0241

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

TransUnion
800-680-7289
www.transunion.com
Fraud Victim Assistance Division
P.O. Box 6790
Fullerton, CA 92834-6790

Once you receive your credit reports, we urge you to review them carefully for inquiries from companies you did not contact, accounts you did not open, and debts on your accounts that you cannot explain. Verify the accuracy of your complete name, Social Security Number, address(es), and employer(s). Notify the three consumer reporting agencies listed above if any information is incorrect.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports over the next 12 to 24 months and promptly report any suspicious activity or suspected identity theft to proper law enforcement authorities, including local law enforcement, your state's attorney general and the Federal Trade Commission ("FTC"). You may contact the FTC to obtain additional information about avoiding identity theft.

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
<http://www.ftc.gov/idtheft>

Fraud Alerts: There are also two types of fraud alerts that you can place on your credit report to put your creditors on notice that you may be a victim of fraud: an initial alert and an extended alert. An initial fraud alert stays on your credit report for at least 90 days. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An extended fraud alert stays

on your credit report for seven years. You can have an extended alert placed on your credit report if you have been a victim of identity theft and you provide the credit reporting company with the documentary proof it requires. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three credit reporting companies provided above.

Credit Freezes: You may put a "credit freeze" (also known as a "security freeze") on your credit file so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift, and/or remove a credit freeze, which generally range from \$5-20 per action. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies at the numbers above to find out more information.