



Attorney General Gordon MacDonald
Office of the Attorney General
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

June 26, 2019

RECEIVED

JUN 28 2019

CONSUMER PROTECTION

Re: Supplemental Update to Notification Letter Dated April 25, 2019

Dear Attorney General MacDonald:

I write on behalf of Loungefly, LLC to provide a supplemental update relating to the incident that Loungefly notified you of in the attached notification letter, dated April 25, 2019. Upon receiving new information, the investigation into the incident was reopened to determine whether the potential scope of the incident may have been different than initially determined. While Loungefly still is not in a position to confirm that any personal information was in fact acquired by an unauthorized individual as a result of the incident, we determined on June 6, 2019 that we cannot rule out the possibility that the incident may have impacted certain customer usernames and passwords (in addition to data associated with certain payment cards) and that the number of payment cards potentially at issue is slightly different than initially reported.

At this time, we understand that the total number of New Hampshire residents whose information may have been affected is 7, which includes 5 of the 8 residents who were previously notified on April 26, 2019 and 2 new residents who have not yet been notified. We determined that 3 of the 8 residents who were previously notified could not have had their payment card data acquired by an unauthorized individual as a result of the incident because of the manner in which their payment card data was processed. We intend to send an appropriately tailored version of the attached notice on or about June 27, 2019 to those residents who have not yet been notified and to those previously notified residents who we now understand also have usernames and passwords that may have been affected, with the tailoring dependent on the type of personal information that may have been affected for each such resident and whether the resident received a prior notice.

If you have any questions about this event, please contact me by email at legal@loungefly.com or by phone at (425) 261-0445.

Sincerely,

Tracy Daw
General Counsel
Loungefly, LLC

Attachment A
Copy of April Notice



Loungefly, LLC
3601 West Olive Ave
Burbank, CA 91505

April 25, 2019

Attorney General Gordon MacDonald
Office of the Attorney General
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301

Re: Notification Regarding Potential Unauthorized Acquisition of Personal Information

Dear Attorney General MacDonald:

I write on behalf of Loungefly, LLC to notify you of an issue that may have involved certain personal information of 8 New Hampshire residents. Loungefly designs and sells clothing, bags and accessories in the pop culture consumer products market through retailers and its online store.

Loungefly appears to have experienced an incident in which unauthorized code was placed on the portion of our computer network that processes payment card transactions for the Loungefly online store at www.loungefly.com. In response, we took immediate steps to secure the affected part of our network, including removing the unauthorized code. Following the discovery of the code, an investigation also was commenced to understand the nature and scope of the incident. The investigation concluded on April 3, 2019. At this time, we believe that we will not ever be able to confirm that any payment card information was in fact acquired by an unauthorized individual as a result of the incident. However, we also cannot rule out the possibility that data associated with certain payment cards, including 8 payment cards apparently belonging to New Hampshire residents, may have been affected. We have reported the matter to law enforcement, but this notice has not been delayed because of law enforcement investigation.

We intend to send the attached notice to the 8 New Hampshire residents described above on or about April 26, 2019.

If you have any questions about this event, please contact me by email at legal@loungefly.com or by phone at (425) 261-0445.

Sincerely,

Tracy Daw
General Counsel
Loungefly, LLC

Attachment B
Copy of Consumer Notice

Notification Regarding Potential Unauthorized Acquisition of Personal Information

June 27, 2019

We write on behalf of Loungefly, LLC to inform you of an issue that may have involved some of your personal information.

What Happened? Loungefly appears to have experienced an incident in which unauthorized code was placed on the system that operated the Loungefly online store at www.loungefly.com. In response, we took steps to secure the affected part of our network, including confirming that the unauthorized code was not present on the system that now operates our online store. Following the discovery of unauthorized code, an investigation also was commenced to understand the nature and scope of the incident. At this time, we believe that we will not ever be able to confirm that any personal information was in fact acquired by an unauthorized individual as a result of the incident. However, we also cannot rule out the possibility that the incident may have impacted certain usernames and passwords of customers who created or logged in to their Loungefly accounts, in addition to data associated with payment cards used in transactions, between September 19, 2018 and February 13, 2019. We understand that the total number of customers whose payment card data and/or username and password may have been affected is less than 4,600. We have reported the matter to law enforcement, but this notice has not been delayed because of law enforcement investigation.

What Information Was Involved? The following personal information may have been involved in the incident: (i) cardholder name, account number, expiration date, and security code from payment cards used on the Loungefly online store and (ii) the usernames and passwords of customers who created or logged in to their Loungefly accounts. We have not determined that any such information was in fact stolen but we are providing this notice out of an abundance of caution.

What We Are Doing. In addition to the steps described in this notice, we are taking steps to further strengthen and enhance our information security controls and procedures. These steps include ongoing coordination with our development team to further harden our system.

What You Can Do. We are enhancing the complexity requirements for customer passwords and requiring all Loungefly customers to select a new password that complies with the new requirements the next time they log in to their Loungefly account, regardless of whether their username and password may have been impacted as part of the incident. As a reminder, it is always a good practice to use different passwords on different websites. To the extent you are using your Loungefly password for other services, consider instead using a new, unique password for each service. In addition, it is always a good practice to be vigilant and closely review or monitor your bank and credit card statements, credit reports and other financial

information for any evidence of unusual activity, fraudulent charges or signs of identity theft. Customers are not responsible for counterfeit fraudulent charges on their credit cards or debit cards that are timely reported.

Although the personal information that may have been involved in the incident cannot be used by itself to conduct identity theft, please note that you can contact the Federal Trade Commission (“FTC”) and the national consumer reporting agencies for more information on fraud alerts, security freezes and other steps you can take to avoid identity theft:

Equifax, P.O. Box 105788, Atlanta, Georgia 30348, 1-877-478-7625, www.equifax.com

Experian, P.O. Box 2002, Allen, TX 75013, 1-888-397-3742, www.experian.com

TransUnion, P.O. Box 2000, Chester, PA 19016, 1-800-680-7289, www.transunion.com

Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580, 1-877-FTC-HELP (382-4357), www.ftc.gov/idtheft

Additional information about how to place a security freeze is included below. Please also note that you can report any suspected incidents of identity theft to law enforcement, your state’s attorney general and/or the FTC. In certain states, you may also obtain any police report filed about this issue.

For More Information. If you have any questions regarding the content of this notice, please contact us at legal@loungefly.com or (425) 261-0723 between the hours of 9:00am – 5:00pm PST Monday through Friday.

* * * * *

Additional Information for North Carolina Residents. You can obtain information from the North Carolina Attorney General’s Office about steps you can take to prevent identity theft. You can contact the North Carolina Attorney General’s Office at:

North Carolina Attorney General’s Office
9001 Mail Service Center
Raleigh, NC 27699-9001
877-566-7226 (toll-free in North Carolina)
919-716-6400
www.ncdoj.gov

Additional Information for Maryland Residents. You can obtain information from the Maryland Office of the Attorney General about steps you can take to prevent identity theft. You can contact the Maryland Office of the Attorney General at:

Maryland Office of the Attorney General
Consumer Protection Division
200 St. Paul Place
Baltimore, MD 21202
888-743-0023 (toll-free in Maryland)
410-576-6300
www.marylandattorneygeneral.gov

Additional Information About Security Freezes

You also have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit. In addition, a security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

If you wish to place a security freeze on your credit file, you must separately place a security freeze on your credit file at each credit reporting agency. In order to place a security freeze, you may need to provide the following information: (1) Full name (including middle initial as well as Jr., Sr., II, III, etc.); (2) Social Security Number; (3) Date of birth; (4) Addresses for the prior five years; (5) Proof of current address; and (6) A legible copy of a government issued identification card. You can contact each credit reporting agency below for details on what information each company requires and to place a security freeze on your credit file:

Equifax Security Freeze
P.O. Box 105788
Atlanta, GA 30348
800-349-9960
www.equifax.com

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013
888-397-3742
www.experian.com

TransUnion
P.O. Box 160
Woodlyn, PA 19094
888-909-8872
www.transunion.com