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VIA FACSIMILE - 603-223-6202

April 24, 2007

The
Neiman
Marcus
Group

New Hampshire Department
of Consumer Affairs
33 Capitol Street
Concord, NH 03301
ATTN: Mary Gould

One Marcus Square
1618 Main Street
Dallas, TX 75201
(214) 743-7610
Fax(214) 743-7617

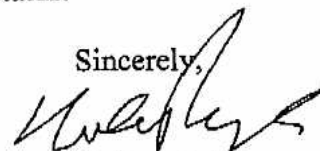
Re: Theft of Computer Equipment Containing Personal
Information

Dear Ms. Gould:

The purpose of this letter is to notify the New Hampshire Department of Consumer Affairs that The Neiman Marcus Group, Inc. ("NMG") sustained a loss of personal information of approximately 160,000 of its current and former employees, as well as some of their beneficiaries, on April 5, 2007. This loss occurred when computer equipment owned by one of NMG's pension benefits consultants was stolen while in the possession of a technician attempting to repair the equipment. When NMG was notified of the theft on April 10, 2007, it immediately mobilized its internal and external resources to assist local law enforcement authorities in the recovery of the computer equipment, and began preparations for the release of information notifying all affected individuals of the theft and its potential impact upon their credit.

Attached is a copy of a letter to employees that is being distributed in connection with this matter, beginning immediately. Please contact me at the phone number or address indicated above in the event that you have questions regarding this matter, or desire further updates regarding its status.

Sincerely,



Nelson A. Bangs

enclosure

Neiman Marcus

April 23, 2007

Dear Colleague,

As part of the company's regular business practices, The Neiman Marcus Group uses pension benefits plan consultants to assist with our employee programs. I am writing this letter to inform you that one of our outside consultants recently discovered that computer equipment used on our behalf was stolen on April 5, 2007. This computer equipment contains a file which is two years old and which holds some of your personal information including your name, address, social security number, date of birth, period of employment and salary information, and similar information regarding individuals receiving a Neiman Marcus Group pension.

The Neiman Marcus Group takes the security of our employees and pension recipients' personal information very seriously and we deeply regret that this incident occurred. Please know that the local law enforcement authorities are actively conducting a criminal investigation of the theft, in the hope of recovering the stolen property and confirming that the personal information stored on the equipment has not been acquired by any unauthorized persons. We are informing you now because the authorities have recently determined that public disclosure of this matter will no longer impede their investigation.

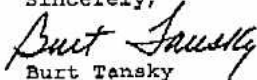
We have no indication that the personal information on this computer equipment has been misused or even that the equipment is in the hands of someone seeking to misuse your information. Nevertheless, to assist you in protecting your personal information, The Neiman Marcus Group has made arrangements with Equifax to provide you with one year of their credit monitoring product at no cost to you. Enclosed you will find a brief description of the services and registration information. As a precaution, we also urge you to carefully monitor your financial accounts - credit cards, debit cards, bank or brokerage accounts, insurance and others - for any suspicious activity.

Please note that people falsely identifying themselves as Neiman Marcus Group representatives could contact you and offer "assistance." I urge you not to release personal information in response to contacts of this nature.

Again, please know that we regret any inconvenience this incident may cause you. I am sure you are concerned. Like you, The Neiman Marcus Group takes this matter very seriously. We are presently reviewing the facts and circumstances leading to this potential loss of privacy of your information, and if appropriate, will take steps to enhance security protocols regarding the handling of our employees' information by third party vendors. We will do everything we can to prevent a recurrence.

If you have any questions, please contact The Neiman Marcus Group Information Security Helpline at 1-800-456-7019. A Representative will be available to assist you seven days-per-week, 24 hours-per-day. This information and the latest updates are also available at www.neimanmarcusgroup.com

Sincerely,



Burt Tansky
Chairman & CEO
The Neiman Marcus Group

IMPORTANT QUESTIONS AND ANSWERS
REGARDING CREDIT PROTECTION

What is The Neiman Marcus Group doing to assist me?

The Neiman Marcus Group is providing the Equifax Credit Watch™ Gold with 3-in-1 Monitoring product free of charge to any employee or pension recipient potentially impacted by this incident. You can enroll in the product until July 31, 2007.

Features and Benefits. Equifax Credit Watch™ Gold with 3-in-1 Monitoring product is a one (1) year membership that provides you with an "early warning system" regarding changes to your credit file. The key features and benefits are:

- Comprehensive credit file monitoring of your Equifax, Experian, and TransUnion credit reports with daily notification of key changes to your credit files from any of the three agencies..
- One 3-in-1 Credit Report and unlimited access to your Equifax Credit Report™.
- \$20,000 in identity theft protection with no deductible (certain limitations may apply) *.
- Premium Customer Care, 24 hours-per-day, 7 days-per-week to assist you in understanding the content of your Equifax credit information, in initiating an investigation of inaccurate information and to provide personalize identity theft victim assistance.

How to Enroll. Equifax has a simple Internet-based verification and enrollment process located at <http://www.myservices.equifax.com/trj>. To enroll online please complete the following steps:

1. **Consumer Information:** complete the form with your contact information (name, address and e-mail address) and click "Continue" button. The information is provided in a secured environment.
2. **Identity Verification:** complete the form with your Social Security Number, date of birth, telephone numbers, create a User Name and Password, agree to the Terms of Use and click "Continue" button. The system will ask you two security questions to verify your identity.
3. **Payment Information:** During the "check out" process, you will need to provide a promotional code. Please call The Neiman Marcus Group Information Security Hotline at 1.800.456.7019 to obtain your code. Once you have received it, enter the code in the "Enter Promotion Code" box. (case sensitive, no spaces) After entering your code press the "Apply Code" button and then the "Submit Order" button at the bottom of the page. (This code eliminates the need to provide a credit card number for payment.)
4. **Order Confirmation:** - Click "View My Product" to access your 3-in-1 Credit Report

To sign up for US Mail delivery of the product, dial 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. **Promotion Code:** You will be asked to enter your promotion code (obtained by calling The Neiman Marcus Group Information Security Hotline at 1.800.456.7019). This code is case sensitive, no spaces.
2. **Customer Information:** You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
3. **Permissible Purpose:** You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax can not process your enrollment.
4. **Order Confirmation:** Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided).

What actions I should take to protect my information?

In addition to enrolling in the free product listed above, employees and pension recipients may wish to contact the three credit reporting agencies to place a free fraud alert on their credit files. A fraud alert is a consumer statement added to your credit report. This statement alerts creditors of possible fraudulent activity within your report as well as requests that they contact you prior to establishing any accounts in your name. Once the fraud alert is added to your credit report, all creditors should contact you prior to establishing any account in your name.

Equifax:
1-877-478-7625

Experian:
1-888-EXPERIAN (397-3742)

TransUnion:
1-800-680-7289

What else should I do to monitor my credit?

Continue to read your financial account statements promptly and carefully. Also, monitor your credit reports every few months in the first year of the theft, and once a year thereafter.

Signs include:

- Irregular activity on existing accounts
- Receiving credit cards that you didn't apply for
- Being denied credit, or being offered less favorable credit terms
- Getting calls and letters from debt collectors or businesses about merchandise or services you didn't buy
- Not getting certain bills or other mail on-time

What do I do if my credit accounts have been tampered with or if new accounts have been fraudulently opened?

- Contact your creditors' security or fraud department immediately.
- If you discover a changed billing address on an existing card, close the account immediately.
- File a report about your identity theft with the police, and file a complaint with the Federal Trade Commission at www.ftc.gov/bcp/edu/microsites/idtheft.
- Read *Take Charge: Fighting Back Against Identity Theft* (www.ftc.gov/bcp/edu/microsites/idtheft) for detailed information on other steps to take in the wake of identity theft.

For further information, contact The Neiman Marcus Group Information Security Helpline at 1-800-456-7019. A Representative will be available to assist callers seven-days-per-week, 24 hours-per-day. Any important new information and updates will also be posted online at www.neimanmarcusgroup.com.

* - Identity Fraud Expense Reimbursement Master Policy underwritten by Travelers Casualty and Surety Company of America and its property casualty affiliates, Hartford, CT 06183. Coverage for all claims or losses depends on actual policy provisions. Availability of coverage can depend on our underwriting qualifications and state regulations. Coverage not available for residents of New York. Equifax's credit monitoring products are protected by US Patent 7,208,052