



July 26, 2012

Via Federal Express

Attorney General Michael A. Delaney
New Hampshire Department of Justice
Attn: Security Breach Notification
33 Capitol Street
Concord, NH 03301

Dear Attorney General Delaney:

I am writing on behalf of Petco Animal Supplies, Inc. ("Petco"), to inform you of a security incident potentially affecting 310 New Hampshire residents.

On Tuesday, July 3, 2012, the outside auditor of Petco's 401(k) Plan (the "Plan") informed Petco that five laptop computers had been stolen from their offices during the weekend of May 18-20, 2012. We are seeking an explanation from the outside auditor's office for the lapse of time in informing Petco of this incident. The outside auditor also informed Petco that the stolen laptops may have contained certain personal information, including name and Social Security number, of current and former Petco employees. As noted above, the affected individuals include 310 New Hampshire residents.

According to the outside auditor, the laptop computers were protected with a strong password, and the Plan information is contained in a software program that is protected with an encrypted password. In addition, the police officers from the City of San Diego Police Department to whom the outside auditor reported the theft believe that the thieves targeted the equipment rather than the information stored on the equipment.

To reduce the risk of a recurrence, Petco engaged a new auditor and has examined the new auditor's security procedures to confirm that the auditor will provide reasonable and appropriate safeguards for 401(k) plan information.

Petco will mail the formal notice of security breach on or before July 28, 2012. A copy of the letter that will be sent to potentially affected New Hampshire residents is enclosed.

If you have any questions concerning this matter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Kristin Stockholm".

Kristin Stockholm
Senior Counsel, Employment

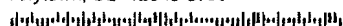


PO Box 483
Chanhassen, MN 55317

July 28, 2012



Sample A. Sample
123 Anystreet
Anytown, US 12345-6789



RE: Important Security And Protection Notification - Please Read This Entire Letter.

Dear Sample A. Sample:

We are writing to inform you of an information security incident that could potentially affect you, and to share with you the steps that Petco is taking to address it.

On Tuesday, July 3, 2012, the outside auditor of Petco's 401(k) Plan (the "Plan") informed us that five laptop computers had been stolen from their offices during the weekend of May 18-20, 2012. We are seeking an explanation from the outside auditor's office for the lapse of time in informing Petco of this incident. In the meantime, we are writing to you because the outside auditor also informed us that the stolen laptops may have contained certain personal information, including name and Social Security number, of all associates who were issued a Petco paycheck in 2010 as well as associates who had a 401(k) account and received a distribution, or had a fee deducted from their account, in 2011.

As of the date of this letter, neither the outside auditor nor Petco has received any information suggesting that the personal information has been misused. Furthermore, the laptop computers were protected with a strong password, and the Plan information was contained in a software program that is protected with an encrypted password. Finally, the police officers from the City of San Diego Police Department to whom the outside auditor reported the theft believe that the thieves targeted the equipment rather than the information stored on the equipment.

Nevertheless, and out of an abundance of caution, Petco is offering you one year of credit monitoring at no cost to you. Your one-year membership in Experian's ProtectMyID[®] Alert will help you to detect possible misuse of your personal information and provide identity protection services focused on identification and resolution of possible identity theft. Once you activate your ProtectMyID Alert membership, your credit report will be monitored daily for 50 leading indicators of identity theft. You will receive timely credit alerts from ProtectMyID Alert on any key changes in your credit report.

If you wish to enroll in ProtectMyID, you will need to do the following:

1. **VISIT** The ProtectMyID Alert Web Site: www.protectmyid.com/redeem or call 1-888-829-6550 to enroll
2. **PROVIDE** Your Activation Code: **99999999**

Enrollment Deadline: October 31, 2012

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If you have any questions concerning Experian's ProtectMyID® Alert, or concerning this incident, or if you prefer to enroll over the phone for delivery of your membership via US mail, please call Experian at 1-888-829-6550. They have established representatives dedicated to responding to your questions about this incident and about the product membership.

In addition to arranging for one-year of free credit monitoring, we have included with this letter additional information on steps you can take to protect the security of your personal information. We urge you to review this information carefully.

You should note that this incident should not put any of your 401(k) funds at risk. The information on the outside auditor's laptops would not permit anyone who might be able to gain access to that information to access your 401(k) account, let alone transfer money from it. In the unlikely case that you used your Social Security number, or some derivative of it, as a password for online access to your 401(k) account, you should change your password.

Please know that we sincerely regret any inconvenience this incident might cause you. If you have any questions, please call Experian's ProtectMyID® Alert's dedicated representatives at 1-888-829-6550.

Sincerely,



Jeff Urry
Vice President, Total Rewards

63448011-001-000005947

Steps To Protect The Security Of Your Personal Information

By taking the following steps, you can help reduce the risk that your personal information may be misused.

1. Enroll in ProtectMyID. You must personally activate credit monitoring for it to be effective. The notice letter contains instructions and information on how to activate your ProtectMyID membership. If you need assistance or if you want to enroll by telephone, you should contact Experian directly at 1-888-829-6550. Experian's ProtectMyID product will provide the following:

- **Credit Report:** A free copy of your Experian credit report.
- **Daily Credit Monitoring:** Alerts you of suspicious activity including new inquiries, newly opened accounts, delinquencies, or medical collections.
- **Identity Theft Resolution:** If you have been a victim of identity theft, you will be assigned a dedicated, U.S.-based Experian Identity Theft Resolution Agent who will walk you through the fraud resolution process, from start to finish.
- **\$1 Million Identity Theft Insurance:** As a ProtectMyID Alert member, you are immediately covered by a \$1 Million insurance policy that can help you cover certain costs, including lost wages, private investigator fees, and unauthorized electronic fund transfers.

Please direct questions about the ProtectMyID product to Experian. Enrolling in ProtectMyID will not affect your credit score.

2. Review your credit reports. You can receive free credit reports by placing a fraud alert. Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three national credit bureaus. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report from one of the three credit bureaus every four months.

3. Review your account statements. You should carefully review for suspicious activity the statements that you receive from credit card companies, banks, utilities and other service providers.

4. Remain vigilant and respond to suspicious activity. If you receive an e-mail or mail alert from Experian, contact a ProtectMyID fraud resolution representative Toll-Free at 1-888-829-6550 or www.protectmyid.com. If you notice suspicious activity on an account statement, report it to your credit card company or service provider and consider closing the account. You also should consider reporting such activity to your local police department, your state's attorney general, and the Federal Trade Commission.

5. Consider placing a fraud alert with one of the three national credit bureaus. You can place an initial fraud alert by contacting one of the three national credit bureaus listed below. For 90 days, an initial fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you but also may delay you when you seek to obtain credit. If you decide to enroll in ProtectMyID, you should place the fraud alert after enrolling. The contact information for all three bureaus is as follows:

Equifax
P.O. Box 740241
Atlanta, Georgia 30374
1-800-685-1111
www.equifax.com

Experian
P.O. Box 2104
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion
P.O. Box 2000
Chester, PA 19022
1-800-888-4213
www.transunion.com

6. Additional Information. You can obtain additional information about steps you can take to avoid identity theft from the following:

Identity Theft Clearinghouse
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
<http://www.ftc.gov/bcp/edu/microsites/idtheft/>
(877) IDTHEFT (438-4338)
TDD: (866) 653-4261