

TELEPHONE: (703) 684-1125
FAX: (703) 683-0039

February 6, 2007

Office of the Attorney General
Consumer Protection and Antitrust Bureau
33 Capitol Street
Concord, NH 03301
FAX (603) 223-6202

Re: Information Security Breach By Towers Perrin

To Whom It May Concern:

We write pursuant to N.H. Rev. Stat. Ann. § 359-C:20(i)(b) to provide notice of an information security breach involving the personal information of New Hampshire residents. Stanley, Inc. ("Stanley") was recently advised by a service provider, Towers Perrin, that it had been the victim of a laptop theft that involved personal data regarding Stanley's employees' and/or former employees.

We understand that a laptop had been stolen from Towers Perrin's offices in Manhattan by a Towers Perrin employee. The laptop was not encrypted, but the laptop and the email program were separately password protected. Towers Perrin reported the theft to the New York City Police Department (Mid-town South Precinct). The police report number is 2006-014-17855. The thief has apparently been apprehended, but the investigation has not been completed.

Both Towers Perrin and Stanley have sent notifications to the New Hampshire residents we believe were affected by this incident. The notices describe (1) the general nature of the incident resulting in the potential information security breach, (2) the type of personal information that was the subject of the possible security breach, (3) the precautionary measures Towers Perrin is taking (at Stanley's request) to help protect personal information from further unauthorized access, (4) contact information for inquiries regarding the incident, (5) how to enroll in Equifax's credit monitoring service, which Towers Perrin is making available to affected individuals free of charge for one year; and (6) advice to individuals that they should also consider placing an initial fraud alert on their credit files and that they review account statements and monitor free credit reports that are available to them.

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Enclosed for your review are copies of the notice sent by Stanley.

If you have any questions or need further information regarding this incident, please do not hesitate to contact us.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Scott D. Chaplin". The signature is fluid and cursive, with a large initial "S" and "C".

Scott D. Chaplin
General Counsel

Enclosure

TELEPHONE: (703) 684-1125
FAX: (703) 684-0939

January 26, 2007

Dear ESOP Participant:

Last year, Stanley engaged Towers Perrin, a management consulting firm, to provide compensation and ESOP analysis services during our recent IPO. Earlier this month, Towers Perrin informed Stanley that their firm experienced a theft of some of their laptops. One of these laptops contained personal information about our employees, including names and social security numbers.

At this time, Towers Perrin has no information indicating that any information on the laptops has been misused. In most instances of laptop theft, the thieves seek only the hardware, that is the laptop itself, and are not interested in accessing specific information on the laptops. Towers Perrin has been diligently working with law enforcement and a computer forensic specialty firm to assist in the investigation of the theft. This investigation is ongoing.

Towers Perrin has taken this situation very seriously and has taken additional measures to help protect our employees. Over the next week, you will receive a notification letter from Towers outlining the measures taken to protect your privacy. These measures will include:


- Useful information regarding precautions you can take
- Opportunity to enroll in Equifax Credit Watch Gold for 2 years at Towers' expense
- A toll-free hotline for our employees who have questions regarding their notification letter

Rest assured we are working closely with Towers Perrin to ensure that our employees' concerns regarding their personal information are treated with concern and respect.

We encourage you to utilize Towers Perrin toll-free hotline if you have questions after you receive your notification letter. If you have concerns you would like to share directly with Stanley, you can direct them to TowersPerrin@stanleyassociates.com.

We join Towers Perrin in expressing regret over this situation. Stanley will continue to monitor the situation.

Sincerely,


Sandy Eichelberger
Vice President, Human Resources