



CHURCHILL DOWNS
INCORPORATED

September 4, 2012

Attorney General Michael A. Delaney
Office of the Attorney General
Attn: Security Breach Notification
33 Capitol Street
Concord, NH 03301

Re: TwinSpires.com

Mr. Delaney:

We are writing to notify you of a data security event that compromised the security of personal information. Churchill Down Technology Initiatives Company (dba "TwinSpires.com"), 600 North Hurstbourne Parkway, Suite 400, Louisville, KY 40222, is informing your office of pertinent facts that are known at this time related to the unauthorized access into a database containing customer names, email addresses, dates of birth and cryptographically hashed social security numbers.

Upon discovery of the unauthorized access, Twinspires.com retained Nelson, Levine, de Luca & Hamilton, LLC, breach notification legal counsel, as well as forensic computer analysts Kivu Consulting, Inc., to assist with its investigation of and response to this incident. The investigation is ongoing, and this notice will be supplemented with any new significant facts learned subsequent to its submission. By providing this notice, TwinSpires does not waive any rights or defenses regarding the applicability of New Hampshire law or personal jurisdiction.

Nature of the Security Event

On August 3, 2012, TwinSpires.com detected suspicious web activity on its server and immediately undertook an internal investigation to identify and block the IP address TwinSpires.com then retained independent, third-party forensic computer analysts to analyze whether a breach of the data security system had occurred and, if so, the extent of the compromise and amount of data accessed during the intrusion. These forensic computer analysts concluded upon investigation that a breach had occurred, and that, during this breach an unknown individual(s) accessed, without authorization some or all of the following information for certain individuals: name, email address, date of birth and cryptographically hashed social security number

Notice to New Hampshire Residents

All New Hampshire residents impacted were mailed written notice of the data breach event on or about September 4, 2012 in substantially the same form as the sample notice attached to this letter. Approximately 370 New Hampshire residents were affected.

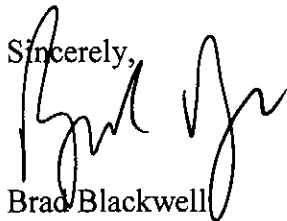
Other Steps Taken and To Be Taken

As discussed above, TwinSpires.com retained forensic computer experts and legal counsel specializing in data breach response. TwinSpires.com has also retained experts to assist with TwinSpires.com's existing and ongoing security efforts. In addition to offering free special identity protection services to those impacted, TwinSpires.com has notified the three major credit reporting agencies of this incident.

Contact Information

Should you have any questions regarding this notification or other aspects of the data security event, please contact me at 502-636-4419

Sincerely,



Brad Blackwell
Vice President, Legal

Att.

PQ Box 488
Chanhassen MN, 55917

August 31, 2012

Important Security and Protection Notification.
Please read this entire letter.

Dear [REDACTED]

We value our customers and respect the privacy of your information, which is why we are writing to inform you of an intrusion into the computer records of TwinSpires.com that occurred on August 3, 2012, that exposed some of your personal information. Immediately upon learning of this intrusion, a third-party forensic investigation was initiated to contain and assess the situation. According to independent forensic experts, the records that were accessed were limited to your name as well as the cryptographically hashed social security number, date of birth and email address that you provided to us during the registration process.

Because we take this incident and your privacy very seriously, we have taken the following actions:

- We have retained independent experts who, along with our technology team, have remediated the issue and helped us further strengthen our computer security systems.
- We are working with independent experts to monitor our ongoing operations to ensure that our security practices are as effective as possible.
- We have set up a privacy hotline (toll-free at 1-888-451-6559) that is staffed with representatives specially trained to assist you with any questions you may have.
- We have arranged with Experian to provide you with identity protection services that include credit monitoring of all three credit bureaus for a year at no cost to you.

EXPERIAN SECURITY PACKAGE

Your free 12-month ProtectMyID Alert membership from Experian includes:

- **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 Experian Identity Theft Resolution Agent who will assist 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, notary fees, reasonable mail charges, long distance phone charges, private investigator fees, and unauthorized electronic fund transfers.

To activate ProtectMyID Alert please follow these steps:

1. VISIT the ProtectMyID website: www.protectmyid.com/redeem
2. PROVIDE your Activation Code [REDACTED] and follow the online instructions
3. ACT to enroll by November 30, 2012

If you do not have internet access or have difficulty activating your membership through the website, please contact the experts at our privacy hotline, toll-free at 1-888-451-6559.

As a precautionary measure and at no charge, you can also have these credit bureaus place a "fraud alert" on your file that alerts creditors to take additional steps to verify your identity prior to granting credit in your name. As soon as one credit bureau confirms your fraud alert, the others are notified to place fraud alerts on your file. Should you wish to place a fraud alert, or should you have any questions regarding your credit report, please contact any one of the agencies listed below.

Equifax
P.O. Box 740241
Atlanta, GA 30348
800-685-1111
www.equifax.com

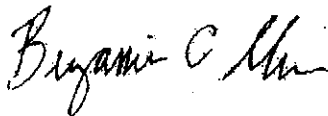
Experian
P.O. Box 2104
Allen, TX 75013
888-397-3742
www.experian.com

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

To further educate yourself regarding identity theft and the steps you can take to avoid identity theft, you may contact the Federal Trade Commission. They can be reached at: Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580, or at www.ftc.gov/bcp/edu/microsites/idtheft/ 1-877-ID-THEFT (1-877-438-4338); TTY: 1-866-653-4261.

We sincerely apologize for any inconvenience this matter may cause you. Please do not hesitate to contact our privacy line with any questions.

Sincerely,



Benjamin C. Murr
Chief Technology Officer

