

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL  
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*Attorney General of Vermont*

June 28, 2005

*via facsimile and regular mail*

Linda P. Ford  
Senior Vice President and Legal Counsel  
CardSystems Solutions, Inc.  
6390 E. Broadway Blvd.  
Tucson, Arizona 85710

**Re: Security Breach**

Dear Ms. Ford:

The undersigned Attorneys General have been following the media reports of the major security breach of nonpublic personal information that has occurred in your company with great interest and concern. *Information Week* reported last week that as many as 22 million Visa-branded cards and 14 million MasterCard-branded cards were exposed to the security breach and that you reported the breach to Visa and MasterCard in late May.

*Information Week* also reports that your company may have violated provisions of the Payment Card Industry Data Security Standard, a set of security requirements for merchants and payment processors that includes implementing strong access-control measures, regularly monitoring and testing networks, and maintaining an information security policy. This is unacceptable.

We met last week at the National Association of Attorneys General 2005 Summer Meeting and discussed cybercrime and identity theft with a specific emphasis on preventing such security breaches, notifying consumers who have been impacted, and prosecuting individuals who commit identity theft and cybercrimes.

We call upon your company to do the responsible thing and notify all affected consumers immediately. We also ask that you provide us with the following information as soon as

possible:

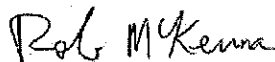
- The total number of consumers impacted by this breach in each state;
- An explanation of how the breach occurred and the steps your company is taking to mitigate the consumer injury caused by the breach, including your efforts to notify affected consumers;
- An outline of the plan your company has developed to prevent the reoccurrence of such a security breach and a timeline for implementing that plan.

As you are no doubt aware, the breach that occurred at your company is only the latest in a disturbing series of cases where nonpublic personal information has been subject to unauthorized access. In this era of increasing reliance on technology, it is vitally important that those companies entrusted with nonpublic personal information employ the highest levels of security. That's why this issue has risen to the top of the public policy agenda.

We look forward to working with people in your industry, as well as consumer advocates and law enforcement colleagues in both state and federal governments to determine what, if any, changes in the legal and regulatory environment may be necessary to protect the very important interest of personal financial privacy.

We appreciate your company's cooperation in this matter. We look forward to hearing from you by Monday, July 25. If you have any questions regarding the matters covered in this letter, you may contact Washington State Assistant Attorney General David W. Huey at (253) 593-5057.

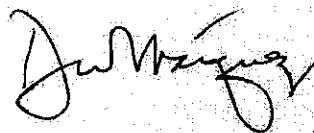
Sincerely,



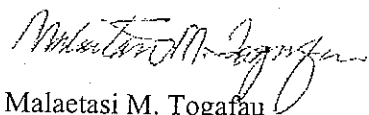
Rob McKenna  
Attorney General of Washington



Troy King  
Attorney General of Alabama



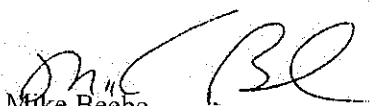
David Marquez  
Attorney General of Alaska



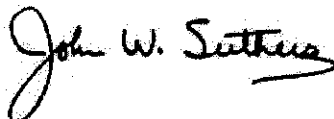
Malaetasi M. Togafau  
Attorney General of American Samoa



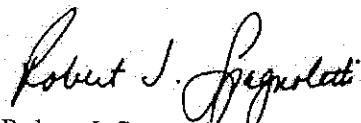
Terry Goddard  
Attorney General of Arizona



Mike Beebe  
Attorney General of Arkansas




John Suthers  
Attorney General of Colorado



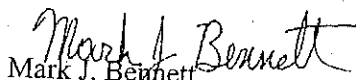
Robert J. Spagnoletti  
Attorney General of District of Columbia




Charlie Crist  
Attorney General of Florida



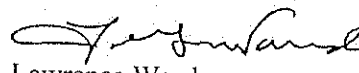
Thurbert E. Baker  
Attorney General of Georgia



Mark J. Bennett  
Attorney General of Hawaii



Steve Levins, Executive Director  
Hawaii Ofc Consumer Protection



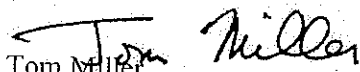
Lawrence Wasden  
Attorney General of Idaho



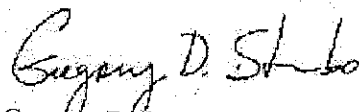
Lisa Madigan  
Attorney General of Illinois




Steve Carter  
Attorney General of Indiana




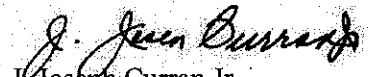
Tom Miller  
Attorney General of Iowa




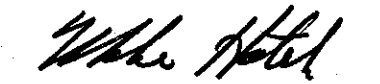
Gregory D. Stumbo  
Attorney General of Kentucky

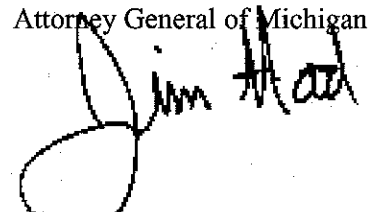
  
Charles C. Foti Jr.  
Attorney General of Louisiana


  
G. Steven Rowe  
Attorney General of Maine

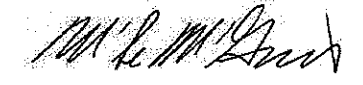
  
J. Joseph Curran Jr.  
Attorney General of Maryland


  
Mike Cox  
Attorney General of Michigan


  
Mike Hatch  
Attorney General of Minnesota


  
Jim Hood  
Attorney General of Mississippi

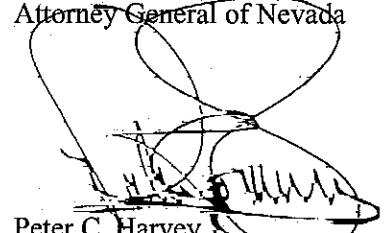
  
Jeremiah W. (Jay) Nixon  
Attorney General of Missouri


  
Mike McGrath  
Attorney General of Montana

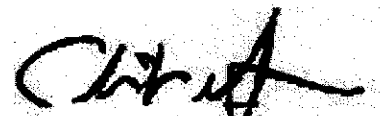
  
Jon Bruning  
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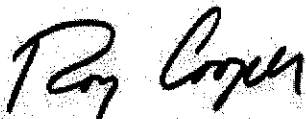
  
Brian Sandoval  
Attorney General of Nevada

  
Kelly Ayotte  
Attorney General of New Hampshire

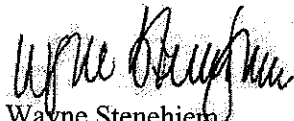
  
Peter C. Harvey  
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Patricia A. Madrid  
Attorney General of New Mexico

  
Eliot Spitzer  
Attorney General of New York



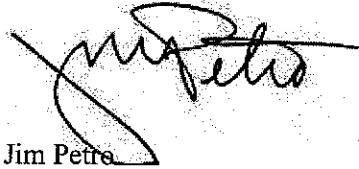
Roy Cooper  
Attorney General of North Carolina



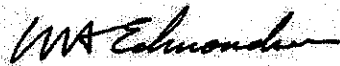
Wayne Stenehjem  
Attorney General of North Dakota



Pamela Brown  
Attorney General of Northern Mariana Islands



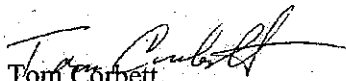
Jim Petre  
Attorney General of Ohio



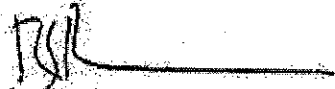
W. A. Drew Edmondson  
Attorney General of Oklahoma



Hardy Myers  
Attorney General of Oregon



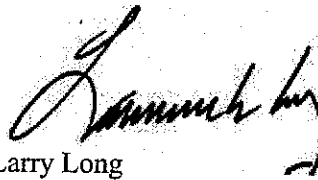
Tom Corbett  
Attorney General of Pennsylvania



Robert J. Sanchez Ramos  
Attorney General of Puerto Rico



Patrick Lynch  
Attorney General of Rhode Island



Larry Long  
Attorney General of South Dakota



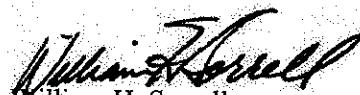
Paul G. Summers  
Attorney General of Tennessee




Greg Abbott  
Attorney General of Texas

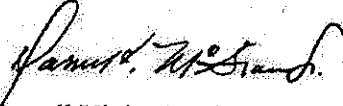


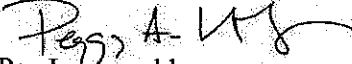
Mark Shurtleff  
Attorney General of Utah

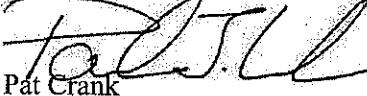


William H. Sorrell  
Attorney General of Vermont

  
Judith W. Jadge  
Attorney General of Virginia

  
Darrell Vivian McGraw, Jr.  
Attorney General of West Virginia

  
Peg Lautenschlager  
Attorney General of Wisconsin

  
Pat Crank  
Attorney General of Wyoming