C/O ID Experts
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JOE SMITH
999 DARDENNE ST
CALABASAS, CA 91302-5868

September 18, 2015

Dear Joe Smith:

As you may be aware, the company that hosts the online Costco Photo Center suffered a security compromise that caused our photo site to be taken offline for several weeks. Although we do not know the exact date of Costco's compromise, malware appears to have been active at the host company June 19, 2014 to July 15, 2015. Several retailers were impacted, but we do not know the extent of that impact. Our investigation indicates that some Costco members who typed credit card numbers onto the site during the compromise window had credit card information (including security code and expiration date) taken, along with other information that may include name, phone number, billing address, email address, password and ship-to information. We do not believe that stored credit card numbers or photos were compromised, and Costco.com itself was not impacted.

The site was taken offline on July 17 so that it could be rebuilt with additional security measures at a variety of levels. As a precaution, all stored credit card information was deleted. When we resume taking payments online, the site will have new payment technology with enhanced security features. We continue to work closely with our hosting company to implement security tools and tests to protect our members' personal data. We have also informed the credit reporting agencies and payment card networks about this incident so that they may take appropriate action regarding your credit card account.

Now that the site is online again, we are requiring that all users reset their passwords the first time they access the site. In addition, we strongly recommend that you change your password on all other sites or services where you used the same password used for the photo site.

We also recommend that you monitor your credit card transaction records and credit reports for fraudulent transactions or accounts. As an additional precaution, you may want to notify your card issuer that your credit card may have been a part of a security compromise. If you suspect fraudulent activity or if you would like to learn more about what to do if you suspect your identity has been stolen, you can contact your local law enforcement agency, the attorney general of your state, or the Federal Trade Commission (Identity Theft Clearinghouse, identitheft.gov, 600 Pennsylvania Ave. NW, Washington, D.C. 20580, 1-877-ID-THEFT).

You may also consider contacting the credit reporting agencies directly if you wish to put in place a fraud alert or a security freeze. A fraud alert will notify any merchant checking your credit history that you may be the victim of identity theft and that the merchant should take additional measures to verify the application. Contacting any one of the three agencies will place an alert on your file at all three of them. A security freeze restricts all creditor access to your account, but might also delay any requests you might make for new accounts. You should enquire with the credit reporting agencies directly for their specific procedures regarding security freezes.

- Equifax: 1-800-525-6285; www.equifax.com; P.O. Box 740241, Atlanta, GA 30374-0241
- Experian: 1-888-EXPERIAN (397-3742); www.experian.com; P.O. Box 9532, Allen, TX 75013
- TransUnion: 1-800-680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

Because we take the protection of your information seriously, we have arranged for identity theft recovery and credit monitoring services from ID Experts. You may sign up for this service, at no cost to you, through December 15, 2015. If you are the victim of identity theft, this service will assist you in addressing the consequences. You can enroll in the service by calling 888-299-1208 or by going to www.myidcare.com/enrollcostco. ID Experts is available to assist you Monday through Friday from 6 a.m. to 6 p.m. Pacific Time. Your enrollment code is 12345678. On that web page you may access additional information about this incident.

You may also contact us in writing at 999 Lake Drive, Issaquah, Washington 98027, Attention: Photo Center, or you can call us at 888-299-1208.

We regret any inconvenience this situation may cause you.

Jeff Cole
Vice President of Gasoline,
Car Wash and Costco Photo Center