



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

June 20, 2005

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

RE: Security Breach

Dear Ms. Ford:

It is with considerable unease that I have followed recent press coverage of the major security breach of nonpublic personal information that has occurred in your company. It is my understanding that you are working with law enforcement authorities to investigate the causes and determine the culprits behind this breach. While that is without question an important activity, it is also of critical importance that appropriate remedial steps be undertaken immediately, without awaiting the completion of criminal proceedings.

Consequently, I would appreciate if you would provide my office with the following information:

1. The number of Washington consumers affected by the breach.
2. 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.
3. An outline of the plan your company has developed to prevent the reoccurrence of 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. These events have pushed privacy matters to the top of the public policy agenda. I look forward to working with people in your industry, as well as consumer advocates and my 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.



ATTORNEY GENERAL OF WASHINGTON

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June 20, 2005
Page 2

I appreciate your company's cooperation in this matter. I look forward to hearing from you by June 30. If you have any questions regarding the matters covered in this letter, you may contact Assistant Attorney General David W. Huey at (253) 593-5057.

Sincerely,

Rob McKenna 

ROB MCKENNA
Attorney General