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2010 APR 15 P 3:00

April 12, 2010

Mr. Hugh Williams
Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202
Fax: 410-576-6566

Dear Mr. Williams:

Lorillard Tobacco Company ("Lorillard") has been recently contacted by JP Morgan, the third-party administrator of Lorillard's pension plans, concerning a security breach that occurred during JP Morgan's administration of the plans. The breach occurred because a JP Morgan employee failed to follow correct control procedures; it was not caused by any action by Lorillard or any of our employees. On or about January 29, 2010, a JP Morgan employee sent an email to an employee of another JP Morgan corporate client, with an attachment containing personal information of Lorillard plan members. The personal information contained in the attachment included: first and last name, address, social security number, gross payment, and total deductions. The attachment did not identify Lorillard as the Plan Sponsor. Upon receipt of the email with the erroneous attachment, the employee of JP Morgan's client immediately notified JP Morgan and destroyed both the email and the attachment, then confirmed its actions to JP Morgan in writing. JP Morgan informed Lorillard of the situation on or about February 16, 2010

Unfortunately, we have determined that personal information of one (1) Maryland resident—including the individual's first and last name associated with a Social Security Number—who was either employed or previously employed by Lorillard was contained on the devices. The form of notice to be sent to this individual is attached hereto. The anticipated date of notification is April 14, 2010

Lorillard deeply regrets that this incident occurred and is keenly aware of how important it is to safeguard the personal information entrusted to our organizations. In relation to the incident, the employee of JP Morgan's client immediately notified JP Morgan and destroyed both the email and the attachment, then confirmed its actions to JP Morgan in writing. At this time, there have not been any indications of theft or misuse of the data. Because there has been no indication of theft, fraud, or other misuse, Lorillard has not reported the incident to law enforcement.

Corporate Office:
714 Green Valley Road
Greensboro, NC 27408

Mail to:
P. O. Box 10529
Greensboro, NC 27404-0529

Also, as further explained in the attachment to this letter, all affected persons have the option to enroll—at no cost—in the Chase Identity ProtectionSM, a credit monitoring service, free of charge for one year. Lorillard will continue to work with JP Morgan to ensure that such breaches of data security do not occur in the future.

If you have any questions about this incident, please do not hesitate to contact me at the following: (336) 335-7444 or wcrump@lortobco.com.

Sincerely,

A handwritten signature in black ink that reads "William Crump". The signature is written in a cursive style with a large, stylized "C" at the end.

William G. Crump
Vice President
Human Resources

[ON LORILLARD LETTERHEAD]

April 14, 2010

[Name]

[Address]

[City, Maryland Zip]

Re: Personal Information Security

Dear [Name],

Lorillard Tobacco Company has been recently contacted by JP Morgan, the third-party administrator of Lorillard's pension plans, concerning a security breach that occurred during JP Morgan's administration of the plans on or about January 29, 2010. The breach occurred because a JP Morgan employee failed to follow correct control procedures; it was not caused by any action by Lorillard or any of our employees. JP Morgan assures us it has initiated additional security checks to reduce the risk of this type of error happening again.

A JP Morgan employee sent an email to an employee of another JP Morgan corporate client, with an attachment containing personal information of Lorillard plan members. The personal information contained in the attachment included: name, address, social security number, gross payment, and total deductions. The attachment did not identify Lorillard as the Plan Sponsor. Upon receipt of the email with the erroneous attachment, the employee of JP Morgan's client immediately notified JP Morgan and destroyed both the email and the attachment, then confirmed its actions to JP Morgan in writing.

JP Morgan believes, and we agree, that the risk associated with this event is low. According to JP Morgan, the recipient of the erroneous email was a plan administrator at a trusted client who was under confidentiality obligations with JP Morgan, and who handles the same personal information for the employees of that company on a regular basis. Neither JP Morgan nor Lorillard has any reason to believe that the information sent in error in this isolated event was misused in any way.

Lorillard takes the security of employee personal information very seriously and deeply regrets that this incident has occurred. We are monitoring the situation closely. We do not anticipate that you will be impacted by this; however, as a precaution, we have arranged to be able to offer you one year of Chase Identity ProtectionSM, a credit monitoring service, free of charge. Please see the enclosed important information describing the benefits of Chase Identity Protection, and the enrollment form.

In addition, we have also contacted the three major credit agencies, Experian, Equifax, and TransUnion, to inform them of this incident. Upon a request from you, the agencies will provide a "fraud alert" service which alerts creditors to take additional steps to verify your identity prior to granting credit in your name or making changes to your existing file. There is no charge to you for this service. Should you wish to place a fraud alert, contact any one of the following agencies. The agency you contact will notify the other two agencies regarding the alert. All three will

provide credit reports for your review. We recommend that you place a fraud alert on your credit file.

<i>Agency</i>	<i>Toll-Free</i>	<i>International Toll</i>	<i>Address</i>	<i>Website</i>
Experian	888-397-3742	N/A	500 City Pky. W. Orange, CA 92868	www.experian.com
Equifax	800-525-6285	404-885-8709	Equifax Consumer Fraud Division P.O. Box 740256 Atlanta, GA 30374	www.equifax.com
TransUnion	800-680-7289	N/A	P.O. Box 6790 Fullerton, CA 92834	www.transunion.com

Important Note: *If you are planning to enroll in Chase Identity Protection, you may want to complete the enrollment form and receive your Welcome Kit first. Requesting a fraud alert before enrolling in Chase Identity Protection will lengthen the time it takes to complete your enrollment in Chase Identity Protection.*

Please note that if you place a 90-day fraud alert on your account before you activate your Chase Identity Protection service, you will receive a letter from Chase Identity Protection for additional verification. We realize that this is an additional step for you, but it is important to have both the 90-day fraud alert and Chase Identity Protection in place to minimize the impact upon you.

Please remain vigilant by reviewing your account statements and in monitoring your free credit report for evidence of identity theft for at least a year. If you find suspicious activity on your credit reports or have reason to believe your information is being misused contact law enforcement and file a police report. Then get a copy of the report to provide to creditors to assist them in absolving you of any fraudulent charges.

You may wish to contact the Federal Trade Commission or the Maryland Attorney General for additional information on preventing identity theft.

<i>Name</i>	<i>Telephone</i>	<i>Address</i>	<i>Website</i>
Federal Trade Commission	877-438-4338	Consumer Response Center 600 Pennsylvania Ave., NW Washington, D.C. 20580	www.ftc.gov/bcp/edu/microsites/idtheft
Maryland Attorney General	888-743-0023	Identity Theft Unit 200 St. Paul Place 16th Floor Baltimore, MD 21202	http://www.oag.state.md.us/idtheft/index.htm

Again, we deeply regret any inconvenience or concern this incident may cause you. Please do not hesitate to contact me at either of the following: 336-335-7444 or wcrump@lortobco.com.

Sincerely,

William Crump
Vice President, Human Resources