

Members**PLUS**

May 28, 2009

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Together We Make Things Happen...

Attorney General Douglas F. Gansler
Maryland Office of the Attorney General
200 St. Paul Place
Baltimore, MD 21202

**Re: Members Plus Credit Union
Notification of Potential Security Breach under MD Com. Law Code Ann. § 14-3504**

Dear Attorney General Gansler:

We write to advise you of an incident in which a box containing discs of account statement images was not accounted for following the move of Members Plus Credit Union ("MPCU") on September 12, 2008 from 111 South Street, Somerville, Massachusetts to a new operations center at 29 High Street, Medford, Massachusetts. MPCU recently became aware of the missing box in early April 2009 and subsequently investigated the matter. The incident affected approximately ten Maryland residents.

Learning about the Incident: MPCU hired Olympia Moving and Storage to manage the move, and rented moving boxes from Rent-A-Crate. On September 19, 2008, Rent-A-Crate informed us that one box was not returned. We surveyed our staff members who indicated that they were not aware of any missing boxes. We thus concluded that the box count was incorrect. On or about April 1, 2009, we were informed that a box containing statement images was not in our basement storage area. The information contained in the statement images included the names, addresses, and MPCU account information, including the account number, of members of MPCU. It also included the Social Security numbers of individuals who were members of MPCU between December 2000 and November 2001.

Investigating the Incident: After MPCU learned that the box was missing in April 2009, we investigated the situation to the extent feasible in April-May 2009, determined what information was included, and drafted notices to potentially affected members.

Upon learning of the loss, MPCU immediately rechecked all basement locations, offices, file cabinets and other on-site and off-site storage facilities. We visited the former MPCU operations center at 111 South Street, Somerville, Massachusetts to search for the box and contacted Olympia Moving and Storage to determine if the box may be in its possession. Tom Kennedy, our contact at Olympia Moving and Storage, had the warehouse searched. The box was not located, and Mr. Kennedy assured us that all trucks are inspected after each move. Therefore, we have now concluded that the box was inadvertently discarded during the move.

Medford Branch/Operations: 29 High Street • Medford, MA 02155 • Phone: 781-905-1500 • Fax: 781-306-0681
Adams Village Branch: 494 Gallivan Boulevard • Dorchester, MA 02124 • Phone: 617-265-6967 • Fax: 617-436-3245
Mass Ave. Branch: 1165 Massachusetts Avenue • Dorchester, MA 02125 • Phone: 617-541-6143 • Fax: 617-541-7637
Plymouth Branch: 600 Rocky Hill Road • Plymouth, MA 02360 • Phone: 508-830-8889 • Fax: 508-830-8881
Westwood Branch: 26 Dartmouth Street • Westwood, MA 02090 • Phone: 781-461-9662 • Fax: 781-461-9812

Web Site: www.memberspluscu.org

To date, we have no evidence or reason to believe that the lost information has been misused, accessed or acquired by an unauthorized person, nor do we have any reason to believe that there has been any unauthorized access. We are unaware of any reported instance of identify theft or fraud related to this incident. There is also no indication that this incident has compromised the security, confidentiality or integrity of the members' personal information. We have therefore determined that this incident does not constitute a breach of the security of a system as defined under Maryland law. Nevertheless, we are taking the precautionary measures as described below.

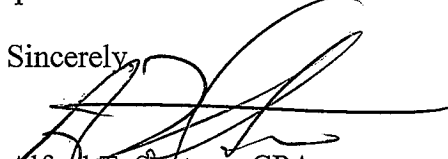
Taking Precautionary Measures: To remediate the incident, we have enhanced account security and account monitoring. We have implemented transaction verification procedures that include reviewing all checks presented for payment in the amount of \$2,500 or more and reviewing all Home Equity Line of Credit checks presented for payment. In the very near future we will be installing an automated fraud detection system. This system will review account activity and provide alerts for such things as duplicate check numbers, gaps in check sequence numbers and abnormal deposit or withdrawal activity.

MPCU has also developed and implemented a Red Flag Identity Theft Prevention Program in accordance with Federal Trade Commission requirements under 16 C.F.R. 681, to detect vulnerabilities and prevent identity theft. Our Identity Theft Prevention Program is attached to this letter as Exhibit A.

Moreover, we will send notices to potentially affected members to alert them of the incident in an abundance of caution and to ensure that affected members could take immediate steps to protect themselves from possible identity theft or other monetary damage. We will send the notification letter, a form of which is attached as Exhibit B, by first-class mail on June 2, 2009. The letter will, among other things, advise the affected individuals to remain vigilant by reviewing account statements and monitoring credit reports. As noted above, while MPCU has not determined that breach of the security of a system within the meaning of the statute has occurred, it has elected to provide notices that comply with the statute. MPCU does so in an abundance of caution and reserves its rights in all respects.

We trust that this letter and its enclosures provide you with all the information required to assess this incident and MPCU's response. Please let us know if you have additional questions or if we can be of further assistance.

Sincerely,



Alfred T. Santoro, CPA
President and Chief Executive Officer

Enclosures

cc: Mark E. Schreiber, Edwards Angell Palmer & Dodge LLP

Members**PLUS**

Exhibit B

[Date]

C • R • E • D • I • T U • N • I • O • N

[Name]

Together We Make Things Happen...

[Address]

Dear <FirstName> <MiddleInitial> <LastName>,

Guarding the privacy of our valued members is a top priority at Members Plus Credit Union ("MPCU"). We are committed to protecting your information and aim to communicate openly should it ever be compromised. The purpose of this letter is to inform you about an incident that may affect you. We recently determined that a box containing discs of account statement images has not been accounted for following our move to a new operations center in Medford, Massachusetts. We were informed that the box was missing, and we have now concluded that the box was inadvertently discarded.

The information contained in the statement images included your name, address and MPCU account information and number. If you were a member of MPCU between the end of 2000 and the end of 2001, the statement images also included your Social Security number. MPCU still retains the original data of the statements contained in the lost box.

While we have no evidence or reason to believe that your information has been misused, accessed or acquired by an unauthorized person, we are notifying you in an abundance of caution to make you aware of the incident. There is also no indication that this incident has materially compromised the security, confidentiality or integrity of your information or that a material risk of identity theft or fraud exists. As a precautionary measure, however, we have taken remedial measures to enhance account security and account monitoring, such as implementing transaction verification procedures and installing account monitoring technology.

It is always a good practice to remain vigilant by reviewing your account activity and monitoring your free credit reports. We recommend that you continue to exercise the necessary diligence when reviewing your credit union accounts and credit reports. Please call us immediately at (781) 905-1750, Monday through Friday, 8 am – 4 pm, if you believe that a particular transaction is unauthorized or if you any questions regarding the incident.

You may also obtain information regarding steps you can take to avoid identity theft from the following sources:

Medford Branch/Operations: 29 High Street • Medford, MA 02155 • Phone: 781-905-1500 • Fax: 781-306-0681
Adams Village Branch: 494 Gallivan Boulevard • Dorchester, MA 02124 • Phone: 617-265-6967 • Fax: 617-436-3245
Mass Ave. Branch: 1165 Massachusetts Avenue • Dorchester, MA 02125 • Phone 617-541-6143 • Fax: 617-541-7637
Plymouth Branch: 600 Rocky Hill Road • Plymouth, MA 02360 • Phone: 508-830-8889 • Fax: 508-830-8881
Westwood Branch: 26 Dartmouth Street • Westwood, MA 02090 • Phone: 781-461-9662 • Fax: 781-461-9812

Web Site: www.memberspluscu.org

Equifax Credit Information Services, Inc.
P.O. Box 740241
Atlanta, GA 30374
1-888-766-0008

TransUnion Fraud Victim Assistance Department
P.O. Box 6790
Fullerton, CA 92834
1-800-680-7289

Experian
475 Anton Blvd.
Costa Mesa, CA 92626
1-888-397-3742

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-FTC-HELP (1-877-382-4357)
<http://www.ftc.gov>

Maryland Office of the Attorney General
200 St. Paul Place
Baltimore, MD 21202
1-888-743-0023
<http://www.oag.state.md.us/index.htm>

For additional recommendations, please see the attachment.

We apologize for any inconvenience or concern that this incident may cause, and would like to reiterate that we have no evidence or reason to believe that your personal information has been acquired or misused by an unauthorized person. We remain committed to maintaining customer privacy as a key priority and will continue to take the needed steps to protect your information.

Sincerely,

Alfred T. Santoro, CPA
President and Chief Executive Officer

Enc: Additional Recommendations

ADDITIONAL RECOMMENDATIONS

REVIEW YOUR ACCOUNTS AND CREDIT REPORTS

It is important that you remain vigilant by reviewing your account activity and monitoring your credit reports from each of the national credit reporting agencies listed below, particularly over the next 12 to 24 months. If your credit report contains information related to fraudulent transactions, you may contact each reporting agency and request that such transactions be deleted. You may also obtain a free credit report annually by visiting www.AnnualCreditReport.com, a Federal Trade Commission ("FTC") authorized free credit report source. For more information on how to obtain a free credit report, or on the steps you can take to protect yourself from identity theft, visit the FTC's website at www.ftc.gov.

RESOURCES

You may obtain information regarding steps you can take to avoid identity theft from the following sources:

Equifax Credit Information Services, Inc.
P.O. Box 740241
Atlanta, GA 30374
1-888-766-0008
www.equifax.com

Experian
475 Anton Blvd.
Costa Mesa, CA 92626
1-888-397-3742
www.experian.com

TransUnion Fraud Victim Assistance
Department
P.O. Box 6790
Fullerton, CA 92834
1-800-680-7289
www.transunion.com

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-FTC-HELP (1-877-382-4357)
www.ftc.gov

FRAUD ALERTS

If you feel it is necessary, you can place a fraud alert on your credit file by contacting the fraud departments of the three credit bureaus listed above. A fraud alert is attached to your credit report and puts creditors on notice that you may be a victim of fraud. When you, or someone else, tries to open a credit account, such as by getting a new credit card, any type of loan or cell phone, the creditor is alerted to contact you by phone to verify that you really want to open a new account.