



**Jax Federal Credit Union Offers LifeLock Identity Theft Prevention Service
Members Could Have Been Affected When Information Was Exposed on a Website**

Jacksonville, FL (May 31, 2007) – On Monday, May 21st, Jax Federal Credit Union learned that a data file containing some members' personal information was briefly exposed on the internet through Google's search engine only. The file contained identifying information such as an unformatted social security number, name, address, and masked account number from a recent pre-approved auto loan mailing. During the process of sending the file to the printer, the file was inadvertently not encrypted and the credit union has since learned the print vendor's website was not a secure website. Google quickly complied with requests to remove the file and all references to it. The credit union has notified the affected members.

"As a member-owned organization, we have built our business on trust and good faith," said Gerri Sexsion, President and CEO. "We wanted to act quickly to insure against any potential risk and provide peace of mind to our members. We are confident the information was only briefly exposed and have no evidence the information was used inappropriately. We researched several providers and found LifeLock to provide the very best in Identity Theft Protection."

Jax Federal Credit Union is covering all costs of the LifeLock service to the affected members for two years. (normally \$110 per year) LifeLock, the nation's first identity theft prevention service, specializes in making personal information useless to anyone other than the rightful owner. The additional services that will be offered to the affected members include:

- Placement of fraud alerts with the three major credit bureaus.
- The halting of pre-approved credit offers;
- A reduction of junk mail;
- \$1 million dollar guarantee - to do whatever it takes, for as long as it takes to fix any problems if victimized as a client;
- An annual credit report from each of the three major credit bureaus.

"No organization intentionally loses data. It's how those organizations react after a breach that reveals the value of customer service," said LifeLock CEO Todd Davis. "The management team at Jax Federal Credit Union did all the right things to remove the exposed data quickly and put a plan in place to insure that if any data fell into the wrong hands, it couldn't be used. While other organizations in similar situations have decided to offer services that could still result in ID theft problems, JAXFCU has guaranteed that anyone using this offer will never feel the effects of this exposure."

While the affected members will enroll for the free service using the details outlined in the letter from JAXFCU, credit union management has arranged for other members and their families to take advantage of LifeLock through a special offer. To participate in this special offer, select the LifeLock logo on the JAXFCU website (www.jaxfcu.org) available after June 1, 2007.

About LifeLock

LifeLock (www.lifelock.com) helps consumers render their personal information useless to thieves, backing up its service with a million-dollar guarantee. Famous for its CEO giving out his Social Security Number in advertising and national press, the company is experiencing astounding growth. Located in a secure facility in Tempe, Arizona, LifeLock is a private company backed by Kleiner Perkins Caufield and Byers as well as Bessemer Venture Partners.

Nominated for several American Business Awards, including Best New Company and Best New Product/Service, LifeLock provides both adults and children guaranteed protection from the problems stemming from ID Theft.

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JAX FEDERAL **CREDIT UNION**

Exposure of Members' Non Public Information May 2007 Frequently Asked Questions

What happened? On Monday, May 21st, Jax Federal Credit Union learned that a text file containing some of our members' personal information was briefly exposed on the internet through Google's search engine only. The file contained information such as an unformatted social security number, name, address, and masked account number from our recent pre-approved auto loan mailing. During the process of sending the file to our printer, the file was inadvertently not encrypted and we have since learned the print vendor's website was not a secure website. Google quickly complied with our requests to remove the file and all references to it.

Who was affected? Approximately 7500 members were on the most recent "pre-approved draft list".

How were the members be notified? Jax Federal Credit Union mailed a letter to all affected members on Saturday, May 26th. The letter was printed on black and white letterhead, rather than our usual red and blue stationary to expedite the notification process. Internally, the affected members have a "Special Care" placed on their account.

How serious is this situation? The information was only exposed and we have no evidence, at this time, that any specific information was accessed or acquired for wrong doing. The information that was exposed did not reference Jax Federal Credit Union, so we believe the risk to the members' JAXFCU account is minimal.

What are we doing to correct the situation? We are taking additional measures by offering Identity Theft Protection through LifeLock at no charge to the affected members for two years. (In similar situations, other companies have provided only one year of a monitoring service.) LifeLock, the nation's first identity theft prevention service, specializes in making personal information useless to anyone other than the rightful owner. The additional services that will be offered include:

- Placement of fraud alerts with the three major credit bureaus.
- The halting of pre-approved credit offers;
- A reduction of junk mail;
- \$1 million dollar guarantee - to do whatever it takes, for as long as it takes to fix any problems if victimized as a client;
- An annual credit report from each of the three major credit bureaus.

I did not receive a letter, should I be concerned? Members who did not receive a letter were not exposed. All member accounts at JAXFCU remain safe and sound, and members' savings are federally insured by the National Credit Union Administration. Also, additional procedures have been put in place to insure this does not happen again.

JAXFCU members who did not receive a letter can still sign up for LifeLock free for 60 days using the promotional code "JAX" at www.lifelock.com or by calling 877-LIFELOCK, which is 1-877-543-3562. Since LifeLock was recently featured on the Today Show, call volume has increased. Please allow extra time for your call to go through. LifeLock is offering a 10% discount for continuation of the service to Jax Federal members beyond the initial trial period at \$9.00 per month.

Have the appropriate authorities been notified? Yes, our Information Security Committee has closely followed the requirements set forth by the NCUA in regulation 748B "Safeguarding Member Information" regarding how to handle an incident of this type. The NCUA has been notified as has our Board of Directors and Supervisory Committee.