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File No. 41338.02

VIA ELECTRONIC SUBMISSION

Xavier Becerra, Attorney General
Attorney General's Office
California Department of Justice
Attn: Public Inquiry Unit
P.O. Box 944255
Sacramento, CA 94244-2550

Re: Notification of Data Breach

Dear Attorney General Becerra:

I represent National Stores, Inc. ("National Stores"), located in Los Angeles, California. This letter is being sent pursuant to California Civil Code § 1798.82, because on December 22, 2017, National Stores received an alert that a data security incident may have affected customer payment card information. The process to determine the precise number of potentially affected individuals, which may include California residents, is ongoing. Based on the investigation, it appears that payment cards used by customers at some National Stores locations between July 16, 2017 and December 11, 2017 may be involved. The affected payment card information may have included names, card numbers, card expiration dates, and security codes.

On December 22, 2017, National Stores received an alert that its point-of-sale systems were affected by malware, and that customer payment card information may have been accessed without authorization. National Stores immediately launched an investigation and engaged digital cybersecurity firms to assist with the investigation. National Stores also contacted the Federal Bureau of Investigation and payment card brands to prevent fraudulent activity on payment cards that may have been affected. The affected payment card holders have not yet been identified, although National Stores is diligently attempting to do so. The number of affected California residents is therefore unknown.

National Stores is in the process of completing substitute notice to the potentially affected California residents through the use of a press release and a link to the enclosed letter on National Store's website. The home page can be accessed at <http://www.fallasstores.net/home-1>. National Stores has also submitted the California data breach reporting form. Please contact me should you have any questions.

Very truly yours,

A handwritten signature in blue ink that reads 'Sean B. Hoar'.

Sean B. Hoar of
LEWIS BRISBOIS BISGAARD & SMITH LLP

Enclosures: Consumer Notification Letter; Press Release; Data Security Breach Form