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January 4, 2006

Mr. Ben McLawhorn
State of North Carolina Office of the Controller
3512 Bush Street
Raleigh, NC 27609
919-981-5409/919-981-5567

Dear Mr. McLawhorn,

The State of North Carolina Office of the Controller ("NCOC") engaged AmbironTrustWave, operating under TrustWave Holdings, Inc. ("AmbironTrustWave") to conduct a third party security assessment and determine whether NCOC has satisfactorily met the Payment Card Industry Data Security Standard (PCI) and other major payment card association security requirements related to the protection of cardholder data. Specifically, the assessment covers the PCI requirements which are comprised of VISA's Cardholder Information Security Program (CISP) and MasterCard's Site Data Protection (SDP) program, as well as Discover's (DISC) and American Express's Data Security Operating Policies. AmbironTrustWave is an authorized third party assessor for all the major payment card associations.

The following business units and platforms were in scope for this assessment:

The State of North Carolina Office of the Controller Common Payment Services

Based upon the information provided by NCOC regarding polices, procedures and technical systems that store, process or transmit cardholder data, an onsite assessment, and a vulnerability scan of these systems, AmbironTrustWave has determined that the NCOC has satisfactorily met the security requirements as of November 7, 2005. AmbironTrustWave has recommended to the payment card associations that they recognize that NCOC is PCI compliant.

As of the date of this letter, NCOC remains enrolled in AmbironTrustWave's assessment program and will be scanned on a regular basis for the term of our agreement. One of the requirements to maintain compliance is to successfully pass periodic vulnerability scans of these systems. In addition, you must also continually identify and provide to AmbironTrustWave information regarding any new system that stores, processes or transmits cardholder data, so that those systems can also be scanned.

If you have any questions concerning this matter, please do not hesitate to contact the assessor, Andrew W. Gray at 908/334-5055. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Phillip J. Smith'.

Phillip J. Smith
Executive Vice President