

EXHIBIT 11



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Alain Sheer
Senior Attorney
Division of Privacy and Identity Protection

Direct Dial: 202.326.3321
Fax : 202.326.3629
E-mail: asheer@ftc.gov

December 9, 2010

BY EMAIL

John W. Woods, Jr.
Hunton & Williams LLP
1900 K Street NW
Washington, DC 20006

Dear John:

Thank you for your letter of December 3, 2010, which describes the processes by which counsel for Hannaford collected, reviewed, and produced certain documents responsive to the access letters of March 21, 2008, July 23, 2008, September 8, 2009, and October 14, 2009.

We appreciate your willingness to describe these processes before Hannaford responds to the Commission's Civil Investigative Demands ("CIDs"). Only Hannaford, however, can decide whether it will certify its responses to the access letters. It is in the best position to know its networks and systems, the security weaknesses of the networks and systems, the employees and others who manage and control the networks and systems, and the language or jargon the employees use in doing so. Based on the information you have provided, we are not in a position to pass on whether Hannaford's collection, review, and production constituted a reasonable response to the access letter requests. In the spirit of cooperation, we note some concerns below and continue to be willing to discuss these issues further.

First, we cannot confirm that Hannaford collected documents from all appropriate custodians based on your description of the "custodian-based collection process" that Hannaford followed in responding to the access letters. Employees who appear to have responsibility for information privacy or security incident response were not included among the recipients of the legal hold. We cannot verify that they (or others) should have been among the custodians from whom Hannaford collected responsive documents and electronically stored information because, for example, we do not have organizational charts.

Second, based on the details in your letter, it does not appear that Hannaford's review processes were sufficient to identify responsive documents. Hannaford did not "test the efficacy of th[e] initial key word list" using the documents of employees who were extensively involved in developing and implementing measures to remediate the breach, such as the employees identified in paragraph 4.i. of your letter. Hannaford's subsequent review of randomly sampled

documents to further audit the key word list did not remedy this oversight.

As a result, the final key word list you have provided at Exhibit D appears to be incomplete, particularly when the list is compared to the access letters and external forensic incident and gap reports. For example, the key word list does not include terms relating to security vulnerabilities identified in post-breach forensic reports, such as “patch” and “default password.” Similarly, there are no key words relating to pharmacy or prescription information that was or may have been compromised during the breach and that is the subject of nearly two pages of the access letter requests. *See, e.g.*, July 23, 2008 Access Letter at no. 20. While it is possible that documents containing such terms could have been identified by your final key word list, your letter contains no information discussing or supporting this possibility. In fact, your letter does not identify the complete list of key words that were used in the process of compiling the final key word list.

Setting aside the search for electronically stored information, your letter is also unclear as to how Hannaford identified potentially responsive paper documents belonging to the custodians.

Third, your letter offers no justification for counsel’s decision to limit Hannaford’s production of responsive documents to 20 of the 88 custodians from whom documents were collected. If the documents for the 68 custodians were never processed for review, we have concerns about the basis for Hannaford’s apparent conclusion that these custodians’ files did not contain unique, potentially responsive documents.

Finally, we cannot meaningfully evaluate the breadth of Hannaford’s collection and review of documents without a log of documents withheld from production. To date, you have refused to comply with our requests for such a log.

As always, I would be pleased to discuss this or any other matter with you or your colleagues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alain Sheer', with a stylized, cursive script.

Alain Sheer