

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS

SUPERIOR COURT DEPARTMENT  
CIVIL ACTION NO.

11-2774 C

\_\_\_\_\_)  
In the matter of \_\_\_\_\_)  
BELMONT SAVINGS BANK \_\_\_\_\_)



**ASSURANCE OF DISCONTINUANCE PURSUANT TO G.L. c. 93A, § 5**

**I. Introduction**

Pursuant to the provisions of Massachusetts General Laws c. 93A, the Commonwealth of Massachusetts, by its Attorney General Martha Coakley, conducted an investigation into the acts and practices of Belmont Savings Bank, a Massachusetts corporation, in operating its banking business in Belmont, Massachusetts and protecting the personal information, as that term is defined in G.L. c. 93H, § 1, of its customers.

Based on that investigation, the Attorney General has reason to believe that Belmont Savings Bank has violated the Massachusetts Consumer Protection Act, G.L. c. 93A, § 2 by violating the Massachusetts Standards for the Protection of Personal Information of Residents of the Commonwealth, 201 CMR 17.00 et seq., adopted pursuant to G.L. c. 93H, § 2(a), the Massachusetts Security Breach Notification Law. The parties conferred in good faith regarding the Commonwealth's concerns and Belmont Savings Bank's policies and procedures. As a result, the parties have agreed to resolve the allegations through an Assurance of Discontinuance.

**II. Allegations**

1. The Commonwealth alleges that Belmont Savings Bank violated G.L. c. 93H and its attendant regulations, 201 CMR 17.00 et seq., and thereby the Massachusetts Consumer Protection Act, G.L. c. 93A, § 2 by: (a) maintaining personal information on unencrypted backup

data tapes; and (b) failing to follow its own Written Information Security Program, as required by 201 CMR 17.03, resulting in the improper handling and subsequent loss of a backup data tape containing the personal information of 13,380 Massachusetts residents, although, after investigation, neither the Attorney General nor Belmont Savings Bank have information which indicates that any consumer's personal information has been acquired or used by an unauthorized person or used for an unauthorized purpose.

2. Without admitting liability to the Attorney General's allegations or to any violations of law, Belmont Savings Bank has voluntarily and knowingly entered into this Assurance of Discontinuance. The Attorney General agrees to enter into this Assurance of Discontinuance in lieu of commencing an enforcement action pursuant to G.L. c. 93A, § 4. This Assurance of Discontinuance resolves all existing claims the Attorney General may have against Belmont Savings Bank stemming from the alleged violations of G.L. c. 93H, 201 CMR 17.00 et seq., and G.L. c. 93A.

### **III. Assurances**

3. Belmont Savings Bank will comply with the Massachusetts Standards for the Protection of Personal Information of Residents of the Commonwealth, 201 CMR 17.00 et seq., in all respects, including, without limitation, encrypting, to the extent technically feasible, all personal information stored on laptops or other portable devices, including backup data tapes, as required by 201 CMR 17.04.

4. Belmont Savings Bank will comply with the provisions of its own Written Information Security Program in all respects, including by: (a) ensuring the proper transfer and inventory of backup data tapes containing personal information; (b) storing backup data tapes containing personal information in a secure location; and (c) effectively training the members of

its workforce on the policies and procedures with respect to maintaining the security of personal information.

**IV. Penalties and Costs**

5. Belmont Savings Bank hereby agrees to pay a civil penalty of \$7,500 prior to the filing of this Assurance of Discontinuance, by certified check made payable to the Commonwealth of Massachusetts, delivered to Shannon Choy-Seymour, Assistant Attorney General, Consumer Protection Division, One Ashburton Place, Boston, Massachusetts 02108.

**V. Miscellaneous Provisions**

6. In the event that Belmont Savings Bank's loss of the backup data tape on or around May 14, 2011 results in actual harm to Belmont Savings Bank customers, Belmont Savings Bank and the Attorney General's Office will reopen discussions in order to determine appropriate restitution to affected Belmont Savings Bank customers.

7. This Assurance of Discontinuance shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

8. The Superior Court shall retain jurisdiction over this Assurance of Discontinuance.

9. This Assurance of Discontinuance shall not relieve Belmont Savings Bank of any obligations to comply with all applicable federal, state, and local laws and regulations.

10. Pursuant to G.L. c. 93A, § 5, violation of the Assurance of Discontinuance shall constitute prima facie evidence of a violation of G.L. c. 93A, § 2(a), in any action or proceeding commenced by the Commonwealth.

11. Belmont Savings Bank, promptly after execution of this Assurance, shall inform in writing all of Belmont Savings Bank's officers and directors of the terms of this Assurance.

12. This Assurance contains the complete agreement between the parties. No promises, representations, or warranties other than those set forth in this Assurance of Discontinuance have been made by either party. This Assurance supersedes all prior communications, discussions, or understandings, if any, of the parties, whether written or oral. This Assurance can be modified or supplemented only by written memorandum signed by the parties.

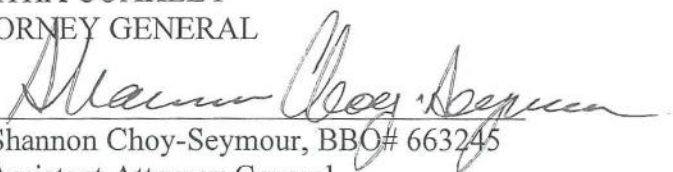
13. Belmont Savings Bank is represented by and has consulted with counsel, Kenneth F. Ehrlich, Esq. of Nutter McClennen & Fish LLP, in connection with the decision to enter into this Assurance.

14. The undersigned, Hal R. Tovin, represents that he is duly authorized to execute this Assurance of Discontinuance on behalf of Belmont Savings Bank and to bind Belmont Savings Bank to all of its provisions, and that on behalf of Belmont Savings Bank he voluntarily enters into this Assurance of Discontinuance.

COMMONWEALTH OF MASSACHUSETTS

MARTHA COAKLEY  
ATTORNEY GENERAL

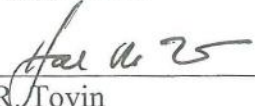
By:



Shannon Choy-Seymour, BBO# 663245  
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Dated: 7/20/11

BELMONT SAVINGS BANK  
2 Leonard Street  
Belmont, MA 02478

By:   
Hal R. Tovin  
Chief Operating Officer

Dated: 7/22/11