

UBS Financial Services Inc.
1000 Harbor Boulevard
Weehawken, NJ 07086

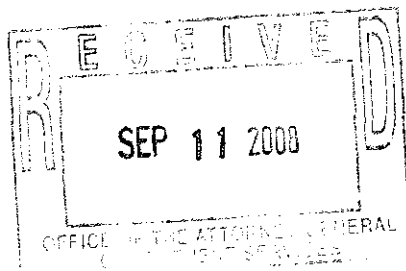
Dennis Dickstein
Chief Privacy Officer

201-352-4933

September 9, 2008

Via Express Mail

Attorney General Bob McDonnell
Office of the Attorney General
900 East Main Street
Richmond, VA 23219



Dear Mr. McDonnell:

I am the Chief Privacy Officer of UBS Financial Services Inc. I am writing to inform you of the following:

On August 11, 2008, UBS IT Risk Control was informed by a vendor that two spreadsheets containing sensitive UBS information had been identified on a peer-to-peer file sharing network. UBS immediately began researching the source of this data leakage and determined that a Human Resources employee had e-mailed these documents to a personal computer outside of UBS on July 15, 2008 to work on them prior to leaving for vacation. The personal computer that received this e-mail contained file sharing software for a peer-to-peer network. To date, UBS has received no report of unauthorized use of the data contained in the spreadsheets.

These spreadsheets contained information relating to 1,744 current or former UBS employees that participated in or applied for acceptance to our tuition reimbursement program. Our current information indicates that the affected UBS personnel are residents of 49 states, with 32 being Virginia residents. The data elements contained in the spreadsheet are the following: (i) Last Name; (ii) First Name; (iii) Social Security Number; and (iv) School and Declared Major.

While we are not aware of any evidence that the information has been misused by an unauthorized person, we provided written notice to the UBS employees to alert them of this incident on September 9, 2008. We have also provided an Identity Theft Prevention Fact Sheet and a toll free number to call with any questions. In addition, we have taken steps to ensure that the spreadsheets have been removed from the employee's personal computer, have begun an initiative to reduce the instances where employee social security numbers are stored and used and install new protections for cases where the information is required.

Should you have questions, please do not hesitate to contact me.

Sincerely,

Dennis Dickstein
Chief Privacy Officer