

**BakerHostetler**

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CONSUMER PROTECTION

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November 6, 2019

**VIA OVERNIGHT MAIL**

Attorney General Gordon MacDonald  
New Hampshire Office of the Attorney General  
33 Capitol Street  
Concord, NH 03301

*Re: Incident Notification*

Dear Attorney General MacDonald:

We are writing on behalf of Kestler Financial Group, Inc. (“Kestler Financial”), to notify you of a security incident involving six New Hampshire residents.

Kestler Financial recently learned of unauthorized access to a Kestler Financial email account. Upon discovering this, Kestler Financial immediately took steps to secure the advisor’s account and launched an investigation to determine the nature and scope of the incident. The investigation determined that the unauthorized access likely occurred between August 7 and September 5, 2019. Due to the nature of the unauthorized access, the investigation was unable to determine which specific emails or attachments, if any, may have been viewed by the unauthorized individual. Because of this, and out of an abundance of caution, Kestler Financial conducted a comprehensive review of the emails and attachments in the account for personal information and determined on September 25, 2019, that emails or attachments contained the names, Social Security numbers, and/or financial account information of six New Hampshire residents.

On November 6, 2019, Kestler Financial will begin mailing notification letters in substantially the same form as the enclosed letter via U.S. First-Class mail to the New Hampshire residents pursuant to N.H. Rev. Stat. § 359-C:20.<sup>1</sup> Kestler Financial is offering the individuals a complimentary, one-year membership to credit monitoring and identity theft protection services.

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<sup>1</sup> This notice does not waive Kestler Financial’s objection that New Hampshire lacks personal jurisdiction over it regarding any claims related to this incident.

Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver  
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC

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Kestler Financial has also established a dedicated call center where all individuals may obtain more information regarding the incident.

Kestler Financial is taking steps to further protect personal information, including implementing additional procedures to further expand and strengthen its security processes, including password resets and implementation of multi-factor authentication. Kestler Financial is also providing continued education and training to its employees.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Haggerty".

Patrick H. Haggerty  
Partner

Enclosure

Kestler Financial Group, Inc.  
Mail Handling Services  
777 E Park Dr  
Harrisburg, PA 17111



[REDACTED]  
[REDACTED]  
[REDACTED]

B-162

November 6, 2019

Dear [REDACTED],

Kestler Financial Group, Inc. (“Kestler Financial”) is a wholesale insurance brokerage firm that works with independent advisors, banks, broker-dealers and credit unions to distribute carrier offerings of life insurance and annuity products. To accomplish this function, our clients provide us with necessary data about policyholders, including certain types of personal information. Kestler Financial recognizes the importance of protecting the privacy and security of personal information. Regrettably, we are writing to inform you that we recently identified and addressed a security incident that may have involved some of that information. This notice describes the incident, outlines the measures we have taken in response, and advises you on steps that you can take to further protect your information.

We recently learned of unauthorized access to a Kestler Financial email account. Upon discovering this, we immediately took steps to secure the advisor’s account and launched an investigation to determine the nature and scope of the incident. The investigation determined that the unauthorized access likely occurred between August 7 and September 5, 2019. Due to the nature of the unauthorized access, the investigation was unable to determine which specific emails or attachments, if any, may have been viewed by the unauthorized individual. Because of this, and out of an abundance of caution, we conducted a comprehensive review of the emails and attachments in the account for personal information and determined on September 25, 2019, that an email or an attachment contained your information, including your name and Social Security number.

Although we have no indication that your information has been accessed or misused in any way, out of an abundance of caution, we wanted to advise you of this incident and assure you that we take this very seriously. It is always advisable to remain vigilant by reviewing your account statements and credit reports for any unauthorized activity. As an added precaution, we are offering you a complimentary one-year membership of Experian IdentityWorks<sup>SM</sup> Credit 3B. This product helps detect possible misuse of your personal information and provides you with superior identity protection support focused on immediate identification and resolution of identity theft. IdentityWorks<sup>SM</sup> Credit 3B is completely free to you and enrolling in this program will not hurt your credit score. For more information on identity theft prevention and instructions on how to activate your complimentary one-year membership, please see the additional information provided in this letter.

We apologize for any concern or inconvenience this incident may cause. As a result of this incident, we are implementing additional procedures to further expand and strengthen our security processes, including password resets for all of our online accounts and implementation of multi-factor authentication. We are also providing continued education and training to our employees. If you have questions about this matter, please call 1-844-727-0027, Monday through Friday between 8:00 a.m. and 5:00 p.m. Central Time.

Sincerely,

Jason Kestler, President  
Kestler Financial Group, Inc.

## Activate IdentityWorks Credit 3B Now in Three Easy Steps

1. ENROLL by: **1.20.2020** (Your code will not work after this date.)
2. VISIT the **Experian IdentityWorks website** to enroll: [www.experianidworks.com/3bcredit](http://www.experianidworks.com/3bcredit)
3. PROVIDE the Activation Code: [REDACTED]

If you have questions about the product, need assistance with identity restoration or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at **877.288.8057** by **1.20.2020**. Be prepared to provide engagement number [REDACTED] as proof of eligibility for the identity restoration services by Experian.

### ADDITIONAL DETAILS REGARDING YOUR 12-MONTH EXPERIAN IDENTITYWORKS CREDIT 3B MEMBERSHIP:

A credit card is **not** required for enrollment in Experian IdentityWorks Credit 3B.

You can contact Experian **immediately without needing to enroll in the product** regarding any fraud issues. Identity Restoration specialists are available to help you address credit and non-credit related fraud.

Once you enroll in Experian IdentityWorks, you will have access to the following additional features:

- **Experian credit report at signup:** See what information is associated with your credit file. Daily credit reports are available for online members only.\*
- **Credit Monitoring:** Actively monitors Experian, Equifax and Transunion files for indicators of fraud.
- **Identity Restoration:** Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **Up to \$1 Million Identity Theft Insurance\*\*:** Provides coverage for certain costs and unauthorized electronic fund transfers.

If you believe there was fraudulent use of your information and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent at **877.288.8057**. If, after discussing your situation with an agent, it is determined that Identity Restoration support is needed, then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

Please note that this Identity Restoration support is available to you for one year from the date of this letter and does not require any action on your part at this time. The Terms and Conditions for this offer are located at [www.ExperianIDWorks.com/restoration](http://www.ExperianIDWorks.com/restoration). You will also find self-help tips and information about identity protection at this site.

\* Offline members will be eligible to call for additional reports quarterly after enrolling.

\*\* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

## ADDITIONAL STEPS YOU CAN TAKE

We remind you it is always advisable to be vigilant for incidents of fraud or identity theft by reviewing your account statements and free credit reports for any unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report, please visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call toll free at 1-877-322-8228. Contact information for the three nationwide credit reporting companies is as follows:

*Equifax*, PO Box 740241, Atlanta, GA 30374, [www.equifax.com](http://www.equifax.com), 1-800-685-1111  
*Experian*, PO Box 2002, Allen, TX 75013, [www.experian.com](http://www.experian.com), 1-888-397-3742  
*TransUnion*, PO Box 2000, Chester, PA 19016, [www.transunion.com](http://www.transunion.com), 1-800-916-8800

If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your state. You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You should also contact your local law enforcement authorities and file a police report. Obtain a copy of the police report in case you are asked to provide copies to creditors to correct your records. Contact information for the Federal Trade Commission is as follows:

*Federal Trade Commission*, Consumer Response Center, 600 Pennsylvania Avenue NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)

Residents of **Maryland** or **North Carolina**, may contact and obtain information from your state attorney general at:

*Maryland Attorney General's Office*, 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023 / 1-410-576-6300, [www.oag.state.md.us](http://www.oag.state.md.us)

*North Carolina Attorney General's Office*, 9001 Mail Service Centre, Raleigh, NC 27699, 1-919-716-6400 / 1-877-566-7226, [www.ncdoj.gov](http://www.ncdoj.gov)

If you are a resident of **West Virginia**, you have the right to ask that nationwide consumer reporting agencies place "fraud alerts" in your file to let potential creditors and others know that you may be a victim of identity theft, as described below. You also have a right to place a security freeze on your credit report, as described below.

**Fraud Alerts:** There are two types of fraud alerts you can place on your credit report to put your creditors on notice that you may be a victim of fraud—an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for one (1) year. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate documentary proof. An extended fraud alert stays on your credit report for seven years. You can place a fraud alert on your credit report by contacting any of the three national credit reporting agencies.

**Credit Freezes:** You have the right to put a credit freeze, also known as a security freeze, on your credit file, free of charge, so that no new credit can be opened in your name without the use of a PIN that is issued to you when you initiate a freeze. A security freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a security freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a security freeze may delay your ability to obtain credit.

There is no fee to place or lift a security freeze. Unlike a fraud alert, you must separately place a security freeze on your credit file at each credit reporting company. For information and instructions to place a security freeze, contact each of the credit reporting agencies at the addresses below:

**Experian Security Freeze**, PO Box 9554, Allen, TX 75013, [www.experian.com](http://www.experian.com)  
**TransUnion Security Freeze**, PO Box 2000, Chester, PA 19016, [www.transunion.com](http://www.transunion.com)  
**Equifax Security Freeze**, PO Box 105788, Atlanta, GA 30348, [www.equifax.com](http://www.equifax.com)

In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.)
2. Social Security number
3. Date of birth
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years
5. Proof of current address such as a current utility bill or telephone bill
6. A legible photocopy of a government issued identification card (state driver's license or ID card, military identification, etc.)
7. If you are a victim of identity theft, include a copy of the police report, investigative report, or complaint to a law enforcement agency concerning identity theft

The credit reporting agencies have one business day after receiving your request by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five business days and provide you with a unique personal identification number ("PIN") or password or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, or to lift a security freeze for a specified period of time, you must submit a request through a toll-free telephone number, a secure electronic means maintained by a credit reporting agency, or by sending a written request via regular, certified, or overnight mail to the credit reporting agencies and include proper identification (name, address, and Social Security number) and the PIN or password provided to you when you placed the security freeze as well as the identity of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have one hour after receiving your request by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must submit a request through a toll-free telephone number, a secure electronic means maintained by a credit reporting agency, or by sending a written request via regular, certified, or overnight mail to each of the three credit bureaus and include proper identification (name, address, and Social Security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have one hour after receiving your request by toll-free telephone or secure electronic means, or three business days after receiving your request by mail, to remove the security freeze.

**Fair Credit Reporting Act:** You also have rights under the federal Fair Credit Reporting Act, which promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. The FTC has published a list of the primary rights created by the FCRA (<https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf>), and that article refers individuals seeking more information to visit [www.ftc.gov/credit](http://www.ftc.gov/credit). The FTC's list of FCRA rights includes:

- You have the right to receive a copy of your credit report. The copy of your report must contain all the information in your file at the time of your request.
- Each of the nationwide credit reporting companies – Equifax, Experian, and TransUnion – is required to provide you with a free copy of your credit report, at your request, once every 12 months.
- You are also entitled to a free report if a company takes adverse action against you, like denying your application for credit, insurance, or employment, and you ask for your report within 60 days of receiving notice of the action. The notice will give you the name, address, and phone number of the credit reporting company. You are also entitled to one free report a year if you're unemployed and plan to look for a job within 60 days; if you are on welfare; or if your report is inaccurate because of fraud, including identity theft.
- You have the right to ask for a credit score.
- You have the right to dispute incomplete or inaccurate information.
- Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.
- Consumer reporting agencies may not report outdated negative information.
- Access to your file is limited. You must give your consent for reports to be provided to employers.
- You may limit "prescreened" offers of credit and insurance you receive based on information in your credit report.
- You may seek damages from violators.
- Identity theft victims and active duty military personnel have additional rights.