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December 11, 2019

Via email (attorneygeneral@doj.nh.gov)

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

Re: Data Incident Notification

Dear Attorney General MacDonald:

We represent National Holdings Corporation (“NHC”) with respect to a data security incident involving the compromise of a single email account belonging to one of NHC’s employees for a period of seven days. The email account, which was hosted by Microsoft Office 365, was compromised when an unauthorized user from outside the organization gained access between September 11, 2019, and September 18, 2019.

An investigation was initially conducted to confirm that no other email accounts had been compromised by the unauthorized user. Additionally, forensic analysis of the compromised account was completed. This investigation revealed no evidence suggesting that any information had been acquired from the single compromised account by the unauthorized user during the seven-day period of potential access.

However, out of an abundance of caution, NHC analyzed all of the content in the compromised account to identify any personal information that could, theoretically, have been viewed by the unauthorized user. This was a significant undertaking, which required multiple steps, including extraction of personal information from the email account and subsequently identifying the current address for each individual such that they could be notified. The total number of New Hampshire residents whose personal information may potentially have been accessed is seven (7).



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Notification letters, which contain an offer of complimentary credit monitoring and identity theft restoration services, will be mailed to each individual whose information could, theoretically, have been accessed, beginning today, December 11, 2019, with additional notifications expected to be sent within the coming weeks. A notification letter template is enclosed.

Please direct any inquiries regarding this incident to my attention.

Sincerely,

A handwritten signature in black ink that reads 'Allen Sattler'.

Allen E. Sattler

Company Logo

Return Mail Processing Center
P.O. Box 6336
Portland, OR 97228-6336

<<Name 1>>

<<Name 2>>

<<Address 1>>

<<Address 2>>

<<Address 3>>

<<Address 4>>

<<Address 5>>

<<City>><<State>><<Zip>>

<<Country>>

<<Date>>

Notice of Data Breach

Dear <<Name 1>>:

National Holdings Corporation (“NHC”) takes the issue of privacy seriously and, as part of that commitment, we are sending you this letter to make you aware of a recent data security incident that may have affected your personal information. Please read this letter carefully.

What Happened

We recently learned that the email account of a single NHC employee was compromised by an outside attacker at times between September 11, 2019 and September 18, 2019. We retained legal counsel and a computer forensics firm to investigate this matter. As a result of that investigation, we located no evidence that your information was extracted from our systems or misused in any way. Certain emails within that email account contain sensitive or personal identifying information, but we cannot confirm with certainty which emails within that email account were accessed or reviewed by the outside attacker, if any. We are therefore providing notice to you of this attack out of an abundance of caution.

What Information Was Involved

Based on our investigation and review of the compromised email account, we believe there may have been unauthorized access to one or more email messages that contain information such as your name, financial account number, date of birth, Social Security number, address, driver’s license number, or passport number.

What We Are Doing

Please know that we take the protection of our clients’ personal information seriously and we are taking steps to continue investigating this incident, help mitigate the potential for harm, and prevent future incidents from happening. At this time, we have not found the person behind the unauthorized access or determined his or her motives, but we have notified the FBI and will cooperate with any investigation. We also have migrated the impacted email account to a new provider, and we are reviewing our policies and procedures to identify additional ways to further strengthen the confidentiality and security of our clients’ information.

What You Can Do

In light of this incident, we recommend that you remain vigilant by reviewing and monitoring your account statements and credit reports. If you find any errors or unauthorized activity, you should contact your financial institution or call the number on the back of your payment card. You also may file a report with law enforcement, your state attorney general, and/or the Federal Trade Commission. In addition, please refer to the enclosed documentation which contains additional steps you may take to protect your information from misuse, including some information that may be specific to your state of residence.

As an added precaution to help protect your information from potential misuse, we are offering complimentary credit monitoring and identity theft restoration services through *myTrueIdentity* provided by TransUnion Interactive, a subsidiary of TransUnion®, at no cost to you. *myTrueIdentity* services include 12 months of credit monitoring and alerts, a \$1,000,000 insurance reimbursement policy, educational materials, and ID theft recovery services. *myTrueIdentity* will help reduce the risk of identity theft and also help you resolve issues in the event your identity is compromised.

To enroll in *myTrueIdentity* online or by telephone, please refer to the enclosed documentation containing your enrollment instructions and your personal activation codes. Please note that you must complete enrollment by <<**Date**>>. In addition, please carefully review the information in the enclosed documentation about further steps you may take to help protect your personal information from misuse.

For More Information

We very sorry for any concern or inconvenience this incident has caused or may cause you. If you have any other questions or concerns that you would like to discuss, you may contact us at <<**NHC Customer Service Number**>>.

Sincerely,

Signature Image

Signatory Name

Signatory Title