CLARK HILL

Clark Hill
130 East Randolph Street
Suite 3900
Chicago, IL 60601
T 312.985.5900
F 312.985.5999

clarkhill.com

Melissa K. Ventrone
T 312.360.2506
F 312.517.7572
Email: mventrone@clarkhill.com

September 28, 2018

Attorney General Gordon MacDonald
Office of the Attorney General
33 Capitol Street
Concord, NH 03302

Dear Attorney General MacDonald:

We represent Professional Golf Ball Services, Ltd ("PGBS") with respect to a data security incident involving the potential exposure of certain personally identifiable information described in more detail below. We look forward to discussing this incident with you in more detail. PGBS is committed to answering any questions you may have about the data security incident, its response, and has taken steps to prevent a similar incident in the future.

1. Nature of security incident.

In June 2016, PGBS identified suspicious activity related to its e-commerce payment processing system. PGBS conducted an investigation and determined that payment cards processed through its e-commerce site between May 31, 2016 and June 3, 2016, may have been at risk of compromise. From its investigation, PGBS determined that an attacker exploited a previously unknown vulnerability and uploaded a malicious file to the e-commerce site. The malicious file may have captured customers' names, addresses, payment card numbers, and security codes during the dates identified above. Notification letters were mailed to affected customers between June 16-18, 2016.

The notification letter included details about the security incident, information about the Federal Trade Commission, the three major credit reporting agencies, and offered identity protection services through Norton Shopping Guarantee. PGBS also provided customers with a toll-free number for any questions.

During recent discussions with outside counsel, it was identified to management, for the first time, that notice about the incident was also required to be provided to your office.

PGBS, as a Texas domiciled company, followed Texas law in providing notification to affected individuals. Texas law ex. Bus. & Com. Code § 521.053 (the "Code") provides:

> (b) A person who conducts business in this state and owns or licenses computerized data that includes sensitive personal information shall disclose any breach of system security, after discovering or receiving notification of the breach, to any individual whose sensitive personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made as quickly as possible, except as provided by Subsection (d) or as necessary to determine the scope of the breach and restore the reasonable integrity of the data system.
>
> (b-1) If the individual whose sensitive personal information was or is reasonably believed to have been acquired by an unauthorized person is a resident of a state that requires a person described by Subsection (b) to provide notice of a breach of system security, the notice of the breach of system security required under Subsection (b) may be provided under that state's law ***or*** under Subsection (b). (emphasis added)

Under Subsection (b-1), PGBS was required to provide notice of a "breach of system security" under the particular state law ***or*** under the Code Subsection (b). PGBS provided notification to affected individuals pursuant to Subsection (b).

2. Number of residents affected.

Eight (8) New Hampshire residents were notified of the incident. As stated above, a notification letter was sent to the affected individuals in your state between June 16-18, 2016 via regular mail (a copy of the form notification letter is enclosed).

3. Steps taken or plan to take relating to the incident.

PGBS took immediate action to address this incident and prevent a similar incident in the future. The vulnerability was remediated and the system secured, the malicious files were removed, admin and user passwords were changed, enhanced detection software was installed on the web server, and internal and external scans are run quarterly. Additionally, affected individuals were offered identity protection services free of charge through Norton Shopping Guarantee. There have been no additional security incidents since 2016.

4. Contact information.

PGBS takes the security of the information in its control seriously, and is committed to ensuring its customers' information is protected. If you have any questions or need additional information, please do not hesitate to contact me at mventrone@clarkhill.com or (312) 360-2506.

Very truly yours,

CLARK HILL

Melissa K. Ventrone

Enclosure

cc: James Boffetti, Associate Attorney General (James.Boffetti@doj.nh.gov)
David Blake, Squire Patton Boggs (David.Blake@squirepb.com)

Hello TBD,

You are receiving this letter because LostGolfBalls.com/KnetGolf.com was victim of a recent security breach and your credit card information was potentially compromised.

We experienced a computer systems intrusion between May 31 and June 3. Transactions during this window may have put your personal information at risk.

Our sincere apologies for any inconvenience this might cause. We are conducting a full investigation, confirming the incident has been contained and taking the necessary steps to ensure this type of breach does not happen again.

To help you protect yourself form the possibility of identity theft, LostGolfBalls.com/KnetGolf.com is protected by the Norton Shopping Guarantee and customers who wish to use the ID Theft Protection Guarantee may contact:

- NSG Customer Support Email: CustomerSupport@NortonShoppingGuarantee.com
- NSG Customer Support Phone: 1-855-658-2760, Option 1

The Federal Trade Commission (FTC) recommends you immediately contact your credit card issuer and close your account, relating that it may have been compromised. If you want to open a new account, ask the issuer to provide a PIN or password to help control access to the account.

Additionally, the FTC recommends you place a fraud alert on your credit file. This informs creditors to contact you before they open any new accounts or change your existing accounts. Contact one of the three major credit bureaus using the information listed below; the company you contact is required to notify the other two, which will place an alert on their versions of your credit report as well.

- Equifax: 800 525-6285; www.equifax.com; P.O. Box 740231, Atlanta, GA 30374-0241
- Experian: 888 397-3742; www.experian.com; P.O. Box 9532, Allen, TX 75013;
- TransUnion: 800 680-7289; www.transunion.com; Fraud Victim Assistance Division, P.O. Box 6790, Fullerton, CA 92834-6790

More information and resources: https://www.identitytheft.gov/Info-Lost-or-Stolen.

To contact us directly, we have established a dedicated e-mail address and customer service line at TBD and 866.639.4819, respectively.

Despite this unfortunate incident, we hope to regain your trust and business in the future.

Sincerely,

Gary Krueger
CEO
PG Professional Golf