

Phoenix House 164 West 74th Street, 2nd floor New York, NY 10023 February 5, 2015



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Dear Sample A Sample:

Phoenix House Foundation, Inc. and its affiliates ("Phoenix House," "we," "us") write to inform you of an incident that may have involved some of your personal information as an employee or former employee of Phoenix House.

What Happened?

On December 22, 2014, Phoenix House learned that, on December 19, 2014, a consultant hired to perform payroll activities for us appears to have made unauthorized changes in our electronic payroll systems hosted by third parties. Upon learning this, we immediately removed the consultant's access to the systems at issue and conducted an investigation to determine what information may have been changed.

We are notifying you because the consultant had access to certain personal information, including your name, address, Social Security number, salary, and benefit information, when they made the unauthorized changes described above. We have terminated the consultant's contract and reported the incident to law enforcement, and we are cooperating with law enforcement in its investigation of this incident. We also are working to restore the information to its state before the incident and to update the files for authorized changes that have occurred since the incident.

What is Phoenix House doing to protect me?

While we have received no reports that your information has been used in any manner that would compromise your identity or credit, out of an abundance of caution, we want to let you know this happened and assure you that we take it very seriously. Further, we are offering you a complimentary one-year membership in Experian's[®] ProtectMyID[®] Alert. This product helps detect possible misuse of your personal information and provides you with superior identity protection services focused on immediate identification and resolution of identity theft. ProtectMyID Alert is completely free to you and enrolling in this program will not hurt your credit score. For more information on identity theft prevention and ProtectMyID Alert, including instructions on how to activate your complimentary one-year membership, please see the "Activate ProtectMyID Now in Three Easy Steps" document enclosed with this letter. Also, please review the enclosed "Information about Identity Theft Protection" reference guide on the back of this letter, which describes additional steps you can take to help protect yourself, including recommendations by the Federal Trade Commission regarding identity theft protection and details on how to place a fraud alert or a security freeze on your credit file.

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What is Phoenix House doing to prevent this from happening in the future?

To help prevent something like this from happening in the future, we have terminated the consultant's contract and will be conducting a comprehensive review of our information security practices and procedures.

(OVER PLEASE)

We deeply regret any inconvenience this incident may cause you. If you have any questions, please call 1-877-288-8056, Monday through Friday from 6:00 AM to 6:00 PM Pacific Time and Saturday through Sunday from 8:00 AM to 5:00 PM Pacific Time.

Sincerely, Muchael D. Bukoust 2

Michael D. Berkowitz

Senior Vice President and Director, Human Resources and Workforce Development

Phoenix House Foundation, Inc. and affiliates

Information about Identity Theft Protection

Even if you choose not to take advantage of the free membership in Experian's ProtectMyID Alert, we recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. You may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below.

 Equifax
 Experian
 TransUnion

 P.O. Box 740241
 P.O. Box 9532
 P.O. Box 1000

 Atlanta, GA 30374-0241
 Allen, TX 75013
 Chester, PA 19022

 800-685-1111
 888-397-3742
 800-888-4213

 www.equifax.com
 www.experian.com
 www.transunion.com

You should remain vigilant with respect to reviewing your account statements and credit reports, and you should promptly report any suspicious activity or suspected identity theft to us and to the proper law enforcement authorities, including local law enforcement, your state's attorney general, and/or the Federal Trade Commission ("FTC"). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding and protection against identity theft: Federal Trade Commission, Consumer Response Center 600 Pennsylvania Avenue, NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), www.ftc.gov/idtheft.

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General:

Maryland Office of the Attorney General, Consumer Protection Division 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from North Carolina Attorney General's Office:

North Carolina Attorney General's Office, Consumer Protection Division 9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov

Fraud Alerts: There are also two types of fraud alerts that 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 at least 90 days. 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 at the toll-free numbers listed below:

Equifax Experian TransUnion 877-478-7625 888-397-3742 800-680-7289

Credit Freezes: You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit 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 credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally \$5 to \$20 per action at each credit reporting company. Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company. Since the instructions for how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies as specified below to find out more information.

Equifax Experi P.O. Box 105788 P.O. B Atlanta, GA 30348 Allen, www.equifax.com www.e

Experian P.O. Box 9554 Allen, TX 75013 www.experian.com TransUnion Fraud Victim Assistance Division P.O. Box 2000

Chester, PA 19022-2000 www.transunion.com

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Activate ProtectMyID Now in Three Easy Steps

- 1. ENSURE That You Enroll By: April 30, 2015 (Your code will not work after this date.)
- 2. VISIT the ProtectMyID Web Site to enroll: www.protectmyid.com/redeem
- 3. PROVIDE Your Activation Code: ABCDEFGHI

If you have questions or need an alternative to enrolling online, please call 877-288-8056 and provide engagement #: **PC91450**

ADDITIONAL DETAILS REGARDING YOUR 12-MONTH PROTECTMYID MEMBERSHIP:

A credit card is not required for enrollment.

Once your ProtectMyID membership is activated, you will receive the following features:

- Free copy of your Experian credit report
- **Surveillance Alerts for:**
 - O Daily Bureau Credit Monitoring: Alerts of key changes & suspicious activity found on your Experian, Equifax® and TransUnion® credit reports.
- ◆ Identity Theft Resolution & ProtectMyID ExtendCARE: Toll-free access to US-based customer care and a dedicated Identify Theft Resolution agent who will walk you through the process of fraud resolution from start to finish for seamless service. They will investigate each incident; help with contacting credit grantors to dispute charges and close accounts including credit, debit and medical insurance cards; assist with freezing credit files; contact government agencies.
 - o It is recognized that identity theft can happen months and even years after a data breach. To offer added protection, you will receive ExtendCARETM, which provides you with the same high-level of Fraud Resolution support even after your ProtectMyID membership has expired.
- ♦ \$1 Million Identity Theft Insurance*: Immediately covers certain costs including, lost wages, private investigator fees, and unauthorized electronic fund transfers.

Activate your membership today at www.protectmyid.com/redeem or call 877-288-8056 to register with the activation code above.

Once your enrollment in ProtectMyID is complete, you should carefully review your credit report for inaccurate or suspicious items. If you have any questions about ProtectMyID, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care team at 877-288-8056.

^{*} Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of 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.