

EXHIBIT 1

The investigation into this matter is ongoing, and this notice will be supplemented with any new significant facts learned subsequent to its submission. By providing this notice, Welk Resort Group (“Welk”) does not waive any rights or defenses regarding the applicability of California law, the applicability of the California data event notification statute, or personal jurisdiction.

Nature of the Data Event

On or around August 2, 2018, Welk learned of unusual activity related to an employee email account and immediately began an investigation to confirm the security of its network and determine the nature and scope of this event. With the assistance of third-party forensic investigators, Welk learned that an unauthorized actor(s) was able to gain access to the employee’s email account. Based upon available forensic evidence, the email account was subject to unauthorized access between July 24, 2018 and August 2, 2018. While the investigation found no evidence of actual or attempted misuse of personal information, it did reveal some personal information was present in the impacted email account at the time of the incident.

While the data present in the impacted email account varied by individual, for certain California residents, it may have included: name, address, Social Security number, doctor’s name, treatment information, diagnosis, treatment, medical procedure, driver’s license number, financial account number, state identification number and payment card information.

Notice to California Residents

Beginning on or around February 22, 2019, Welk will begin mailing written notice of this incident to potentially affected individuals, which includes approximately 1,320 California residents. Written notice is being provided in substantially the same form as the letter attached here as *Exhibit A*.

Other Steps Taken and To Be Taken

Upon discovering unusual activity affiliated with the employee’s email account, Welk immediately took steps to investigate. Welk worked to determine the nature and scope of this incident, as well as determine what data may potentially be affected. The investigation included working with third-party forensic experts. Welk is mailing written notice to those individuals whose data was present in the impacted emails. This notice will include an offer of access to 12 months of credit and identity monitoring services, including identity restoration services, through TransUnion, and the contact information for a dedicated call center for potentially affected individuals to contact with questions or concerns regarding this incident. Additionally, Welk is providing potentially impacted individuals with guidance on how to better protect against identity theft and fraud, including information on how to place a fraud alert and security freeze on one’s credit file, the contact details for the national consumer reporting agencies, information on how to obtain a free credit report, a reminder to remain vigilant for incidents of fraud and identity theft by reviewing account statements and monitoring free credit reports, and encouragement to contact the Federal Trade Commission, their state Attorney General, and law enforcement to report attempted or actual identity theft and fraud. Welk will also be providing notice of this event to other state regulators and the credit reporting agencies as required by law.

EXHIBIT A



Return Mail Processing Center
PO Box 6336
Portland, OR 97228-6336

<<Mail ID>>
<<Name 1>>
<<Name 2>>
<<Address 1>>
<<Address 2>>
<<Address 3>>
<<Address 4>>
<<Address 5>>
<<City>><<State>><<Zip>>
<<Country>>

<<Date>>

Re: Notice of Data Breach

Dear <<Name1>>:

Welk Resort Group, Inc. (“Welk”) writes to notify you of an incident that may affect the security of some of your personal information. We take this incident seriously and are providing you with information and access to resources, so you may better protect your personal information, should you feel it is appropriate to do so.

What Happened? On or around August 2, 2018, Welk learned of unusual activity related to an employee email account. We immediately began an investigation to confirm the security of our network and to determine the nature and scope of this event. With the assistance of third-party forensic investigators, we learned that an unauthorized actor(s) was able to gain access the employee’s email account. Based upon available forensic evidence, it appears the email account was subject to unauthorized access between July 24, 2018 and August 2, 2018. While we have no evidence of actual or attempted misuse of personal information, the investigation revealed certain information related to you was present in the impacted email account at the time of the incident. Our investigation indicates only a small percentage of Welk’s Owners were potentially affected by the incident.

What Information Was Involved? Our investigation determined the information present in the impacted email account includes your <<Variable Date Text>>, and name. To date, we have no evidence of actual or attempted misuse of this information by any third party.

What We Are Doing. We take the security of personal information in our care seriously. We are working to enhance our existing security measures and to confirm the ongoing security of our networks. We are providing you with notice of this incident and will be notifying state regulators as required by law.

As an added precaution, we have arranged for you to enroll, at no cost to you, in an online credit monitoring service (*myTrueIdentity*) for one year provided by TransUnion Interactive, a subsidiary of TransUnion,[®] one of the three nationwide credit reporting companies. The cost of this service will be paid by Welk. We encourage you to enroll in these services, as we are not able to act on your behalf to enroll you in the credit monitoring service.

What You Can Do. Please review the enclosed “Steps You Can Take to Protect Personal Information.” You can also enroll to receive the free credit monitoring and identity theft protection services we are offering.

For More Information. We understand you may have questions about this incident that are not addressed in this letter. If you have additional questions, please call our dedicated assistance line at 888-595-6437, Monday through Friday between 9 a.m. and 9 p.m. Eastern Time.

Again, Welk takes the privacy and security of the personal information in our care seriously. We sincerely regret any inconvenience or concern this incident has caused you.

Sincerely,

Welk Resort Group, Inc.

STEPS YOU CAN TAKE TO PROTECT PERSONAL INFORMATION

Enroll in Credit Monitoring

We have arranged for you to enroll, at no cost to you, in an online credit monitoring service (*myTrueIdentity*) for one year provided by TransUnion Interactive, a subsidiary of TransUnion,[®] one of the three nationwide credit reporting companies.

How to Enroll: You can sign up online or via U.S. mail delivery

- To enroll in this service, go to the *myTrueIdentity* website at www.MyTrueIdentity.com and, in the space referenced as "Enter Activation Code," enter the 12-letter Activation Code <<**Insert Unique 12-letter Activation Code**>> and follow the three steps to receive your credit monitoring service online within minutes.
- If you do not have access to the Internet and wish to enroll in a similar offline, paper-based credit monitoring service, via U.S. mail delivery, please call the TransUnion Fraud Response Services toll-free hotline at **1-855-288-5422**. When prompted, enter the six-digit telephone passcode <<**6-digit Telephone Pass Code**>> and follow the steps to enroll in the offline credit monitoring service, add an initial fraud alert to your credit file, or to speak to a TransUnion representative if you believe you may be a victim of identity theft.

You can sign up for the online or offline credit monitoring service anytime between now and <<**Enrollment Deadline**>>. Due to privacy laws, we cannot register you directly. Please note that credit monitoring services might not be available for individuals who do not have a credit file with TransUnion or an address in the United States (or its territories) and a valid Social Security number. Enrolling in this service will not affect your credit score.

ADDITIONAL DETAILS REGARDING YOUR 12-MONTH COMPLIMENTARY CREDIT MONITORING SERVICE:

- Once you are enrolled, you will be able to obtain one year of unlimited access to your TransUnion credit report and credit score.
- The daily credit monitoring service will notify you if there are any critical changes to your credit file at TransUnion, including fraud alerts, new inquiries, new accounts, new public records, late payments, changes of address, and more.
- The service also includes access to an identity restoration program that provides assistance in the event that your identity is compromised and up to \$1,000,000 in identity theft insurance with no deductible. (Policy limitations and exclusions may apply.)

Monitor Your Accounts

In addition to enrolling to receive the complimentary services detailed above, we encourage you to remain vigilant against incidents of identity theft and fraud, to review your account statements and explanation of benefits, and to monitor your credit reports for suspicious activity and to detect errors. Under U.S. law you are entitled to one free credit report annually from each of the three major credit reporting bureaus. To order your free credit report, visit www.annualcreditreport.com or call, toll-free, 1-877-322-8228. You may also contact the three major credit bureaus directly to request a free copy of your credit report.

You have the right to place a "security freeze" on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit. Pursuant to federal law, you cannot be charged to place or lift a security freeze on your credit report. Should you wish to place a security freeze, please contact the major consumer reporting agencies listed below:

Experian

P.O. Box 9554
Allen TX 75013
1-888-397-3742

www.experian.com/freeze/center.html

TransUnion

P.O. Box 2000
Chester, PA 19016
1-888-909-8872

www.transunion.com/credit-freeze

Equifax

PO Box 105788
Atlanta, GA 30348-5788
1-800-685-1111

www.equifax.com/personal/credit-report-services

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 either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft.

As an alternative to a security freeze, you have the right to place an initial or extended "fraud alert" on your file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer's credit file. Upon seeing a fraud alert display on a consumer's credit file, a business is required to take steps to verify the consumer's identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting seven years. Should you wish to place a fraud alert, please contact any one of the agencies listed below:

Experian

P.O. Box 2002
Allen, TX 75013
1-888-397-3742
www.experian.com/fraud/center.html

TransUnion

P.O. Box 2000
Chester, PA 19016
1-800-680-7289
www.transunion.com/fraud-victim-resource/place-fraud-alert

Equifax

P.O. Box 105069
Atlanta, GA 30348
1-888-766-0008
www.equifax.com/personal/credit-report-services

Additional Information

Although we have no reason to believe that your personal information has been used to file fraudulent tax returns, you can contact the IRS at www.irs.gov/Individuals/Identity-Protection for helpful information and guidance on steps you can take to address a fraudulent tax return filed in your name and what to do if you become the victim of such fraud. You can also visit www.irs.gov/uac/Taxpayer-Guide-to-Identity-Theft for more information.

You can further educate yourself regarding identity theft, fraud alerts, security freezes, and the steps you can take to protect yourself, by contacting the consumer reporting agencies, the Federal Trade Commission, or your state Attorney General.

The Federal Trade Commission can be reached at: 600 Pennsylvania Avenue NW, Washington, DC 20580, www.identitytheft.gov, 1-877-ID-THEFT (1-877-438-4338); TTY: 1-866-653-4261. The Federal Trade Commission also encourages those who discover that their information has been misused to file a complaint with them. You can obtain further information on how to file such a complaint by way of the contact information listed above. You have the right to file a police report if you ever experience identity theft or fraud. Please note that in order to file a report with law enforcement for identity theft, you will likely need to provide some proof that you have been a victim. Instances of known or suspected identity theft should also be reported to law enforcement. This notice has not been delayed by law enforcement.

For North Carolina residents, the Attorney General can be contacted at 9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-566-7226 or 1-919-716-6400, www.ncdoj.gov.

For Maryland residents, the Attorney General can be contacted at 200 St. Paul Place, 16th Floor, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us.

For New Mexico residents, you have rights pursuant to the Fair Credit Reporting Act, such as the right to be told if information in your credit file has been used against you, the right to know what is in your credit file, the right to ask for your credit score, and the right to dispute incomplete or inaccurate information. Further, pursuant to the Fair Credit Reporting Act, the 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 credit reports to be provided to employers; you may limit "prescreened" offers of credit and insurance you get based on information in your credit report; and you may seek damages from violators. You may have additional rights under the Fair Credit Reporting Act not summarized here. Identity theft victims and active duty military personnel have specific additional rights pursuant to the Fair Credit Reporting Act. We encourage you to review your rights pursuant to the Fair Credit Reporting Act by visiting www.consumerfinance.gov/f/201504_cfpb_summary_your-rights-under-fcra.pdf, or by writing Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

For Rhode Island Residents: The Rhode Island Attorney General can be reached at: 150 South Main Street, Providence, Rhode Island 02903, www.riag.ri.gov, 1-401-247-4400. Under Rhode Island law, you have the right to obtain any police report filed in regard to this incident. There are 3 Rhode Island residents impacted by this incident.