

Appendix

We submit this response on behalf of McAlister's Corporation, Moe's Stores LLC, Schlotzsky's Stores LLC, as well as entities that are franchisees (collectively, the "Restaurant Brands"), to notify your office of a security incident potentially involving California residents.

The Restaurant Brands initially notified their customers on August 20, 2019 that they were investigating a payment card security incident involving some of their corporate and franchised restaurants. They immediately began an investigation, took action to identify and stop the unauthorized activity, and forensic investigation firms were engaged. They also notified law enforcement and the payment card networks.

A thorough investigation is being conducted and is nearly complete. It appears that unauthorized code designed to copy payment card data from cards used in person was installed in certain corporate and franchised restaurants at different times over the general period of April 11, 2019 to July 22, 2019. The unauthorized code was not present at all locations, and at most locations it was present for only a few weeks in July. The unauthorized code searched for track data read from the magnetic stripe of a payment card as it was being routed through a restaurant's server. The code often found the part of track data that contains the card number, expiration date, and internal verification code, and sometimes it found the part that also includes the cardholder name. It is possible the code did not find every card that had been used at each location during the time frames involved.

Although the locations and time frames involved were able to be identified, the specific individuals potentially involved in the incident were not. Consequently, the Restaurant Brands will be providing substitute notice to their customers today, October 2, 2019, by issuing a press release and posting statements on their websites. Copies of the press release and website statements are attached. The websites will contain a tool that customers can use to look up the locations and time frames involved. In addition, the Restaurant Brands have established a dedicated call center that customers can call with questions about the incident.

To help prevent a similar incident in the future, the Restaurant Brands quickly took measures to contain the incident, remove the unauthorized code, and are working to implement measures to further enhance payment card security.