

H.N.R. CLARK, INC.

THE ENTERTAINMENT INDUSTRY INCOME TAX SPECIALIST

C/O IDX
10300 SW Greenburg Rd. Suite 570
Portland, OR 97223

To Enroll, Please Call:
1-800-939-4170
Or Visit:
<https://app.idx.us/account-creation/protect>
Enrollment Code: <<XXXXXXXXXX>>

<<First Name>> <<Last Name>>
<<Address1>> <<Address2>>
<<City>>, <<State>> <<Zip>>

December 10, 2020

Re: Notice of Data Breach

Dear <<First Name>>:

This letter is to notify you that H.N.R. Clark, Inc. ("H.N.R. Clark") was the victim of a data security incident that may have resulted in unauthorized access to some of your personal information. We take the privacy and protection of your personal information very seriously, and regret any inconvenience this may cause. This letter contains information about what happened, steps we have taken, and resources we are making available to you to help protect your identity.

What Happened:

On October 13, 2020, we were notified by our tax software provider, Lacerte Intuit, that H.N.R. Clark was the victim of a cyber-security incident, resulting in some tax returns pertaining to our clients being fraudulently filed. To date, we are aware of approximately 52 tax returns fraudulently filed. If your tax return was among these 52 tax returns, we already notified you.

Upon receipt of this information, H.N.R. Clark promptly engaged a specialized cybersecurity firm to conduct a forensic investigation to determine the nature and scope of the incident, which was completed on November 3, 2020.

Although the investigation concluded that there was no indication that our internal network was compromised, we did discover there was unauthorized access to an H.N.R. Clark e-mail account which potentially exposed personal information, including tax returns, to an unauthorized third party in or around September and October, 2020. After an internal investigation, we determined that you were among the individuals potentially impacted by the incident

What Information Was Involved:

Based on the investigation, it appears the exposed information may include the information present on your tax return, such as your name, address, taxpayer information and social security number. Out of an abundance of caution, we wanted to inform you of this incident.

What We Are Doing:

We take the privacy and security of your information very seriously. Upon discovery of this incident, we immediately changed all computer passwords and improved our computer security settings by enabling of a multi-factor authentication for our Lacerte tax preparation system. We are deploying a new email system (HNRClark.com) which provides higher levels of spam filtering and threat protection. We will now transmit confidential information via encrypted email. We have upgraded network security with a new firewall to further protect from internet-borne threats. In addition, all computers have been wiped and the operating system and applications reinstalled to remove any traces of malware. All computers have the latest version of virus protection installed.

We are also offering identity theft protection services through IDX, the data breach and recovery services expert. IDX identity protection services include: 24 months of credit and CyberScan monitoring, a \$1,000,000 insurance reimbursement policy, and fully managed id theft recovery services. With this protection, IDX will help you resolve issues if your identity is compromised.

What You Can Do:

We encourage you to contact IDX with any questions and to enroll in free identity protection services by calling 1-800-939-4170 or going to <https://app.idx.us/account-creation/protect> and using the Enrollment Code provided above. IDX representatives are available Monday through Friday from 9 am - 9 pm Eastern Time. Please note the deadline to enroll is March 10, 2021.

If you are a minor or if you claimed any minor dependents on your tax return, we are offering identity theft protection services to you/minor dependents through IDX including: 24 months of fully managed id theft recovery services and a \$1,000,000 insurance reimbursement policy. Each minor received a separate letter with an individual code to activate the above-listed services.

You can also obtain an Identity Protection PIN (IP PIN) with the IRS by following the instructions at this link: <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin> .

More Information:

We sincerely regret any inconvenience that this incident may cause you and remain dedicated to protecting your personal information. Should you have any questions or concerns about this incident, please contact 1-800-939-4170 between 9:00 a.m. and 9:00 p.m. Eastern Standard Time for more information.

Sincerely,

Keith Clark, EA
Shane Clark, CPA
H.N.R. Clark, Inc.



Recommended Steps to Help Protect Your Information

- 1. Website and Enrollment.** Go to <https://app.idx.us/account-creation/protect> and follow the instructions for enrollment using your Enrollment Code provided at the top of the letter.
- 2. Activate the credit monitoring** provided as part of your IDX identity protection membership. The monitoring included in the membership must be activated to be effective. Note: You must have established credit and access to a computer and the internet to use this service. If you need assistance, IDX will be able to assist you.
- 3. Telephone.** Contact IDX at 1-800-939-4170 to gain additional information about this event and speak with knowledgeable representatives about the appropriate steps to take to protect your credit identity.
- 4. Review your credit reports.** We recommend that you remain vigilant by reviewing account statements and monitoring credit reports. Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three major credit reporting companies. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report by one of the three credit bureaus every four months.

If you discover any suspicious items and have enrolled in IDX identity protection, notify them immediately by calling or by logging into the IDX website and filing a request for help.

If you file a request for help or report suspicious activity, you will be contacted by a member of our ID Care team who will help you determine the cause of the suspicious items. In the unlikely event that you fall victim to identity theft as a consequence of this incident, you will be assigned an ID Care Specialist who will work on your behalf to identify, stop and reverse the damage quickly.

You should also know that you have the right to file a police report if you ever experience identity fraud. Please note that in order to file a crime report or incident report with law enforcement for identity theft, you will likely need to provide some kind of proof that you have been a victim. A police report is often required to dispute fraudulent items. You can report suspected incidents of identity theft to local law enforcement or to the Attorney General.

5. Place Fraud Alerts with the three credit bureaus. If you choose to place a fraud alert, we recommend you do this after activating your credit monitoring. You can place a fraud alert at one of the three major credit bureaus by phone and also via Experian's or Equifax's website. A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit. The contact information for all three bureaus is as follows:

Credit Bureaus

Equifax Fraud Reporting
1-866-349-5191
P.O. Box 105069
Atlanta, GA 30348-5069
www.equifax.com

Experian Fraud Reporting
1-888-397-3742
P.O. Box 9554
Allen, TX 75013
www.experian.com

TransUnion Fraud Reporting
1-800-680-7289
P.O. Box 2000
Chester, PA 19022-2000
www.transunion.com

It is necessary to contact only ONE of these bureaus and use only ONE of these methods. As soon as one of the three bureaus confirms your fraud alert, the others are notified to place alerts on their records as well. You will receive confirmation letters in the mail and will then be able to order all three credit reports, free of charge, for your review. An initial fraud alert will last for one year.

Please Note: No one is allowed to place a fraud alert on your credit report except you.

6. Security Freeze. By placing a security freeze, someone who fraudulently acquires your personal identifying information will not be able to use that information to open new accounts or borrow money in your name. You will need to contact the three national credit reporting bureaus listed above to place the freeze. Keep in mind that when you place the freeze, you will not be able to borrow money, obtain instant credit, or get a new credit card until you temporarily lift or permanently remove the freeze. There is no cost to freeze or unfreeze your credit files.

7. You can obtain additional information about the steps you can take to avoid identity theft from the following agencies. The Federal Trade Commission also encourages those who discover that their information has been misused to file a complaint with them.

California Residents: Visit the California Office of Privacy Protection (www.oag.ca.gov/privacy) for additional information on protection against identity theft.

Kentucky Residents: Office of the Attorney General of Kentucky, 700 Capitol Avenue, Suite 118 Frankfort, Kentucky 40601, www.ag.ky.gov, Telephone: 1-502-696-5300.

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

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 a violator. 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. You can 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.

New York Residents: the Attorney General may be contacted at: Office of the Attorney General, The Capitol, Albany, NY 12224-0341; 1-800-771-7755; <https://ag.ny.gov/>.

North Carolina Residents: Office of the Attorney General of North Carolina, 9001 Mail Service Center Raleigh, NC 27699-9001, www.ncdoj.gov, Telephone: 1-919-716-6400.

Oregon Residents: Oregon Department of Justice, 1162 Court Street NE, Salem, OR 97301-4096, www.doj.state.or.us/, Telephone: 877-877-9392

Rhode Island Residents: Office of the Attorney General, 150 South Main Street, Providence, Rhode Island 02903, www.riag.ri.gov, Telephone: 401-274-4400

All US Residents: Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Avenue, NW Washington, DC 20580, www.consumer.gov/idtheft, 1-877-IDTHEFT (438-4338), TTY: 1-866-653-4261.