

LAMPS PLUS

PACIFIC COAST® LIGHTING

Lamps Plus, Inc.
20250 Plummer Street
Chatsworth, CA 91311

Pacific Coast Lighting, Inc.
20250 Plummer Street
Chatsworth, CA 91311

<<EmployeeFirstName>> <<EmployeeLastName>>

<<Date>> (Format: Month Day, Year)

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip Code>>

Notice of Data Breach

Dear <<EmployeeFirstName>> <<EmployeeLastName>>,

We are writing to you about a recent data security breach which exposed some of the personal information which you provided to us as an employee of Lamps Plus, Inc. or Pacific Coast Lighting, Inc. This is a serious situation which requires your immediate attention. PLEASE READ THIS ENTIRE NOTICE AND THE ATTACHMENTS.

What happened?

On February 11, 2016, an unknown criminal sent an email to an individual at Lamps Plus which was intended to look as though it came from another Lamps Plus employee. The response to that email was actually redirected to the unknown criminal and resulted in the criminal obtaining copies of your W-2 income and tax withholding statement, along with those of every other employee who worked for us during 2015. At that time, we were not aware that the data in question had been sent to an unauthorized recipient.

Very recently we were informed that when some employees tried to file their Federal tax returns for 2015, the IRS advised them that tax returns had already been filed in their name. We immediately undertook an investigation and, on March 2, 2016, we learned about the data breach described above. The very next morning we sent emails to our current employees advising them about the data breach and providing some initial information.

It now appears that the W-2 data was intentionally misappropriated by the criminal for use in a scheme, sometimes called tax-related identity theft and refund fraud, where the criminal files a fraudulent tax return, using a stolen name and Social Security number, requesting that a refund be sent to the criminal. The IRS has indicated that they block most of those fraudulent refund requests. And, even if a fraudulent refund is paid out by the IRS, once they establish your true identity, you will not lose any money from your tax refund, if one is owed to you.

Since we sent the email notice to our current employees many of them have advised us that, when they contacted the IRS, they were informed that fraudulent tax returns had been filed using their names. A few of them also indicated that the filing was "joint" so that it also may have affected their spouse (although the W-2 information we sent to the criminal did not include any personally identifiable data about your spouse or domestic partner). So it is important for you to read this entire notice and to take the recommended steps to protect yourself.

What information was involved?

The information involved in this data breach included the employer's name, address and tax identification number along with the employees' name, address, Social Security number, earnings and withholding information.

What we are doing.

Lamps Plus values its employees, and cares about protecting them, and is very upset about this criminal data breach. We will be working with outside subject matter experts to improve our data security practices, to provide additional training to our employees who work with employee data and to otherwise avoid any similar incidents.

We have notified law enforcement and will be fully cooperating with them, although we have been informed that this is such a frequent scheme that they assign a relatively low priority to such investigations. A copy of this notice will be provided to the California Attorney General.

We are also obtaining, at our expense, the services of Kroll **to provide identity monitoring services to you (and to your spouse or domestic partner), at no cost, for one year.** Kroll is a global leader in risk mitigation and response, and their team has extensive experience helping people who have sustained an unintentional exposure of confidential data. Your identity monitoring services include Credit Monitoring, Web Watcher, Public Persona, Quick Cash Scan, \$1 Million Identity Theft Insurance, Identity Consultation, and Identity Restoration.

Visit **kroll.idMonitoringService.com** to enroll and take advantage of your identity monitoring services.

Membership Number for <<EmployeeFirstName>> <<EmployeeLastName>>: <<KrollNumber>>

If you have a spouse or domestic partner that would like to enroll in identity monitoring services, please have your spouse or domestic partner use the membership number below.

Membership Number for your spouse or domestic partner: <<ClientDef1(SpousePartnerNumber)>>

To receive credit services by mail instead of online, please call 1-855-269-6545. Additional information describing your services is included with this letter.

What you can do.

1. Identity Monitoring Services - Enroll with Kroll, using the account information which we have paid for, and utilize their services.
2. Federal Taxes – The IRS requires that each individual report the problem to them. While there will be additional paperwork and inconvenience, and even a delay of up to 180 days before you get your refund, the IRS will not financially penalize you even if they paid a fraudulent refund. So, you (and, if applicable, your spouse or domestic partner) should call the IRS at 800-908-4490 (Identity Theft Hotline) to learn whether you are a victim of this fraudulent scheme. To minimize the risk of tax fraud you should also IMMEDIATELY complete IRS Form 14039 and then mail or fax that form to the IRS. A copy of that form can be obtained by going to <https://www.irs.gov/pub/irs-pdf/f14039.pdf>.
3. State Taxes - For California domestic residents you should contact the Franchise Tax Board (FTB) at (800) 852-5711. The FTB will ask you to complete and file Form 3552 that can be obtained by going to <https://www.ftb.ca.gov/forms/misc/3552.pdf>. For all other states, you can use the federal form, but you should use the following telephone numbers to report this problem: Oregon: (503) 947-2000, Arizona: (602) 716-6300, Colorado: (303) 205-8262, Washington/Texas/Nevada: no income tax reporting.
4. Other Government Agencies – The Federal Trade Commission (FTC) has taken a leading position on Identity Theft. They offer a form you can complete and submit to any person or business where you have a problem due to Identity Theft. <https://www.IdentityTheft.gov>
5. Credit Reporting Agencies – You have the option to notify the credit reporting agencies which will take steps to avoid anyone opening an unauthorized credit account or making certain other changes without your permission. Please review the enclosed material and discuss these matters with Kroll, based on your individual circumstances.
6. Additional Information – We have enclosed several items to assist you.
 - A. Enclosed is a document titled “Additional Resources.” This document 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.
 - B. Enclosed is the information about the services offered by Kroll.

For more information.

If you have questions, please call 1-855-269-6545, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time. Please have your membership number ready.

Once again, on behalf of Lamps Plus and Pacific Coast Lighting we want to apologize for this incident.

Sincerely,

Clark Linstone
Lamps Plus

ADDITIONAL RESOURCES

Contact information for the three nationwide credit reporting agencies is:

Equifax, PO Box 740241, Atlanta, GA 30374, www.equifax.com, 1-800-685-1111

Experian, PO Box 2104, Allen, TX 75013, www.experian.com, 1-888-397-3742

TransUnion, PO Box 2000, Chester, PA 19022, www.transunion.com, 1-800-888-4213

Free Credit Report. It is recommended that you remain vigilant for incidents of fraud and identity theft by reviewing account statements and monitoring your credit report for unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting agencies.

To order your annual free credit report please visit **www.annualcreditreport.com** or call toll free at **1-877-322-8228**.

You can also order your annual free credit report by mailing a completed Annual Credit Report Request Form (available from the U.S. Federal Trade Commission's ("FTC") website at www.consumer.ftc.gov) to:
Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

For Colorado, Georgia, Maine, Maryland, Massachusetts, New Jersey, Puerto Rico, and Vermont residents:

You may obtain one or more (depending on the state) additional copies of your credit report, free of charge. You must contact each of the credit reporting agencies directly to obtain such additional report(s).

Fraud Alert. You may place a fraud alert in your file by calling one of the three nationwide credit reporting agencies above. 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.

Security Freeze. You have the ability to place a security freeze on your credit report.

A security freeze is intended to prevent credit, loans and services from being approved in your name without your consent. To place a security freeze on your credit report, you may be able to use an online process, an automated telephone line, or a written request to any of the three credit reporting agencies listed above. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse, this information must be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. The credit reporting agencies may charge a fee to place a freeze, temporarily lift it or permanently remove it. The fee is waived if you are a victim of identity theft and have submitted a valid investigative or law enforcement report or complaint relating to the identity theft incident to the credit reporting agencies. (You must review your state's requirement(s) and/or credit bureau requirement(s) for the specific document(s) to be submitted.)

For Massachusetts residents: The fee for each placement of a freeze, temporary lift of a freeze, or removal of a freeze is \$5.

Federal Trade Commission and State Attorneys General Offices. If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your home state. You may also contact these agencies for information on how to prevent or avoid identity theft.

You may contact the **Federal Trade Commission**, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580, www.ftc.gov/bcp/edu/microsites/idtheft/, 1-877-IDTHEFT (438-4338).

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

For North Carolina residents: You may contact the North Carolina Office of the Attorney General, Consumer Protection Division, 9001 Mail Service Center, Raleigh, NC 27699-9001, www.ncdoj.com, 1-877-566-7226.

Reporting of identity theft and obtaining a policy report.

For Iowa residents: You are advised to report any suspected identity theft to law enforcement or to the Iowa Attorney General.

For Massachusetts residents: You have the right to obtain a police report if you are a victim of identity theft.

For Oregon residents: You are advised to report any suspected identity theft to law enforcement, the Federal Trade Commission, and the Oregon Attorney General.



TAKE ADVANTAGE OF YOUR IDENTITY MONITORING SERVICES

You've been provided with access to the following services¹ from Kroll:

Credit Monitoring through TransUnion

You'll receive alerts when there are changes to your credit data—for instance, when a new line of credit is applied for in your name. If you do not recognize the activity, you'll have the option to call a Kroll investigator, who can help you determine if it's an indicator of identity theft.

Web Watcher

Web Watcher monitors internet sites where criminals buy, sell, and trade personal information. You'll be promptly notified if evidence of your identity information being traded or sold is discovered.

Public Persona

Public Persona monitors public record databases for names, aliases, and addresses that are associated with your Social Security number. If information is found, an alert email is sent.

Quick Cash Scan

Quick Cash Scan monitors thousands of short-term and cash-advance loan sources. You'll receive an alert when a loan is reported, and you can call a Kroll investigator for more information.

\$1 Million Identity Theft Insurance

Reimburses you for out-of-pocket expenses totaling up to \$1 million in legal costs for any one stolen identity event. All coverage is subject to the conditions and exclusions in the policy.

Identity Consultation

You have unlimited access to consultation with a dedicated licensed investigator at Kroll. Support includes showing you the most effective ways to protect your identity, explaining your rights and protections under the law, assistance with fraud alerts, and interpreting how personal information is accessed and used, including investigating suspicious activity that could be tied to an identity theft event.

Identity Restoration

If you become a victim of identity theft, an experienced licensed investigator will work on your behalf to resolve related issues. You will have access to a dedicated investigator who understands your issues and will do most of the work for you. Your investigator can dig deep to uncover all aspects of the identity theft, and then work to resolve it.

¹ Kroll's activation website is only compatible with the current version or one version earlier of Internet Explorer, Chrome, Firefox, and Safari.

To receive credit services, you must be over the age of 18 and have established credit in the U.S., have a Social Security number in your name, and have a U.S. residential address associated with your credit file.