

Retailer Notifies Customers of Data Security Incident

Gardena, Ca. (January 22, 2018): National Stores, Inc., (“National Stores” or the “Company”) announced today that it has been the victim of a malware attack, enabling unauthorized parties to access payment card information. Immediately upon detecting the incident, the Company engaged nationally recognized digital cybersecurity firms to assist with an investigation. The Company also contacted payment card brands so the payment card brands could take steps to prevent fraudulent activity on any affected cards. In addition, the Company contacted the FBI about this criminal activity and will continue to provide whatever cooperation is necessary to hold the malicious actors accountable.

“We have been working closely with the FBI, cybersecurity experts, and payment card brands to contain the incident and protect our customers’ payment cards,” said Michael Fallas, Chief Executive Officer for National Stores. “The malware has been removed from our system, and no customers will be responsible for any fraudulent charges to their accounts. We are in the process of strengthening the security of our point of sale systems to prevent this from happening in the future.”

Based on the Company’s investigation, it appears that payment cards used by customers at some National Stores locations between July 16 and December 11, 2017 may be involved. The affected payment card information may have included names, payment card numbers, expiration dates, and security codes.

National Stores encourages customers to carefully review and monitor their payment card account statements. If a customer believes his or her payment card may have been affected, the customer should immediately contact their bank or card issuer. National Stores has notified payment card networks so that they can coordinate with card issuing banks to monitor for fraudulent activity on cards used during the identified timeframe. Further information for customers can be found at the National Stores website at <http://www.fallasstores.net/home-1> or by calling 833-214-8746.

About National Stores:

National Stores is a 340 store chain in twenty-two states and Puerto Rico. National Stores currently does business as Fallas, Fallas Paredes, Fallas Discount Stores, Factory 2-U, Anna's Linen's by Fallas, and Falas (spelled with single “l” in Puerto Rico). The brands of National Stores are located in retail plazas, specialty centers, and downtown areas to serve the communities its customers and staff members call home.

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