NAKAWATASE & KAMINSKY, CPAs, LLP
Experience • Expertise • Excellence
Processing Center • P.O. Box 649 • Monroe, WI 53566 - 0649

0000001 01 SP 0.460 **SNGLP T1 1 8002 78701 _ -C01-P00000-I
JOHN Q. SAMPLE
823 CONGRESS AVE SUITE 300
AUSTIN TX 78701

February 3, 2017

Dear John Q. Sample:

We are writing to you because of an incident at Nakawatase & Kaminsky. In January 2017, we confirmed through the use of our forensic information technology investigation firm, Navigant, that the Lacerte tax system we utilize for maintaining and filing tax returns was compromised by an intruder on October 31, 2016, November 1, 2016, November 5, 2016, and November 8, 2016. The attacker managed to hack into our computer system despite the use of firewalls and anti-virus software. This resulted in four tax returns being fraudulently filed. While to date we only have knowledge of four instances of reported problems, Navigant determined that there is the possibility that the personal and financial information of other clients and their dependents, including names, addresses, dates of birth, Social Security numbers, Tax Identification Numbers, employer and salary information, as well as bank account numbers, were also compromised. Once we confirmed that a breach had taken place, the San Diego County Sheriff's Department was immediately notified, which referred the matter to the Federal Bureau of Investigation's San Diego field office. In addition the Internal Revenue Service Treasury Inspector General has been notified of the incident and the Franchise Tax Board's fraud unit.

As an added precaution, we have arranged to have AllClear ID protect your identity for twelve (12) months at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next twelve (12) months.

AllClear Identity Repair: This service is automatically available to you with no enrollment required. If a problem arises, simply call 1-855-250-7810 and a dedicated investigator will help recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

AllClear Credit Monitoring: This service offers additional layers of protection including credit monitoring and a $1 million identity theft insurance policy. For a child under 18 years old, AllClear ID ChildScan identifies acts of credit, criminal, medical or employment fraud against children by searching thousands of public databases for use of your child's information. To use this service, you will need to provide your personal information to AllClear ID. You may sign up online at enroll.allclearid.com or by phone by calling 1-855-250-7810 using the following redemption code: 9999999991.

Please note: Additional steps may be required by you in order to activate your phone alerts and monitoring options.

Additionally, because your Social Security number was involved, we recommend that you place a fraud alert on your credit files. A fraud alert requires potential creditors to use what the law refers to as "reasonable policies and procedures" to verify your identity before issuing credit in your name. A fraud alert lasts for 90 days. Just call one of the three credit reporting agencies at a number below. This will let you automatically place an alert with all of the agencies. You will receive letters from all three, confirming the fraud alert and letting you know how to get a free copy of your credit report from each.

Experian: 1-888-397-3742 Equifax: 1-800-525-6285 TransUnion: 1-800-680-7289

When you receive your credit reports, look them over carefully. Look for accounts you did not open. Look for inquiries from creditors that you did not initiate. And look for personal information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

If you do find suspicious activity on your credit reports, call your local police or sheriff's office and file a police report of identity theft. Please also call the Federal Bureau of Investigation San Diego Field Office at 858-320-1800 and report the matter to them so that they know it pertains to this cyber-attack. Get a copy of the police report. You may need to give copies of the police report to creditors to clear up your records.

Even if you do not find any signs of fraud on your reports, we recommend that you check your credit reports periodically. You can keep the fraud alert in place by calling again after 90 days. For more information on identity theft, we suggest that you visit the web site of the California Office of Privacy Protection at www.privacy.ca.gov.

To further protect yourself from the possibility of identity theft, we recommend that you immediately contact the financial account holder for the account that any direct deposit tax refunds may have been deposited in and close your account. Tell them that your account may have been compromised, and ask that they report it as "closed at customer request." If you want to open a new account, ask your financial account holder to give you a PIN or password. This will help control access to the account.

For more information on identity theft, we suggest that you visit the web site of the California Office of Privacy Protection at www.privacy.ca.gov. If there is anything that Nakawatase & Kaminsky can do to assist you, simply call 1-855-250-7810 and a dedicated investigator will help recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

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TO THE ESTATE OF
JOHN Q. SAMPLE
823 CONGRESS AVE SUITE 300
AUSTIN TX 78701

February 3, 2017

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Please note: Additional steps may be required by you in order to activate your phone alerts and monitoring options.

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Nakawatase & Kaminsky, CPAs