## EXHIBIT 1

We represent MJ Freeway Business Solutions ("MJ Freeway"), 1601 Arapahoe Street #900, Denver, CO 80202, and are writing, on behalf of Harborside, to notify you of a recent data security incident that may have affected the security of information related to certain individuals residing in California. This notice may be supplemented with any new significant facts learned subsequent to its submission. By providing this notice, MJ Freeway does not waive any rights or defenses regarding the applicability of California law, the applicability of the California data event notification statute, or personal jurisdiction.

## **Nature of the Data Security Event**

MJ Freeway provides business management software to cannabis dispensaries, including Harborside. On or about November 19, 2016, MJ Freeway's systems were accessed without authorization. MJ Freeway determined on November 27, 2017 that this unauthorized access resulted in the theft of certain data belonging to customers of Harborside. Upon learning of this unauthorized access, MJ Freeway immediately launched an internal investigation, with the assistance of third-party forensic investigators, to determine the full nature and scope of the incident. MJ Freeway also promptly notified and has been working with Harborside to determine the types of impacted information and to whom it belongs.

While the majority of the data stored using its software is encrypted, through its forensic investigation, MJ Freeway determined that the unauthorized individual acquired the following types of information relating to Harborside customers: name and driver's license number. To date, MJ Freeway has no evidence of any actual or attempted misuse of personal information as a result of this incident.

## **Notice to California Residents**

On March 1, 2018, MJ Freeway will begin providing written notice of this incident to all affected individuals on behalf of Harborside. This includes notification to one thousand eighty-one (1081) California residents. Written notice will be provided in substantially the same form as the letter attached hereto as *Exhibit A*.

## **Other Steps Taken**

Since being informed of this incident, MJ Freeway has been working diligently, with the assistance of third-party forensic investigators, to confirm the scope of the incident and to implement additional security measures to better prevent future incidents of this kind. MJ Freeway has also notified law enforcement about this incident.

MJ Freeway is providing all potentially affected individuals access to 12 months of complimentary credit monitoring and identity restoration services, through Experian. Additionally, MJ Freeway is providing potentially impacted individuals with guidance on how to better protect against identity theft and fraud, including information on how to place a fraud alert and security freeze on one's credit file, the contact details for the national consumer reporting agencies, information on how to obtain a free credit report, a reminder to remain vigilant for incidents of fraud and identity theft by reviewing account statements and monitoring free credit reports, and encouragement to

contact the Federal Trade Commission, their state Attorney General, and law enforcement to report attempted or actual identity theft and fraud.

# **EXHIBIT** A



Return Mail Processing PO Box 589 Claysburg, PA 16625-0589 March 1, 2018



##D5543-L01-0123456 0001 00000001 \*\*\*\*\*\*\*\*\*ALL FOR AADC 159 SAMPLE A SAMPLE APT ABC 123 ANY ST ANYTOWN, US 12345-6789

Re: Notice of Data Breach

Dear Sample A Sample:

MJ Freeway Business Solutions ("MJ Freeway") recently discovered an event that may affect the security of your personal information. MJ Freeway has your information because we provide business management software to cannabis dispensaries, including Harborside. We write to provide you with information about the incident, steps we are taking in response, and steps that you may take to better protect against the potential misuse of your information, should you feel it is appropriate to do so.

What Happened? On or about November 19, 2016, MJ Freeway's systems were accessed without authorization. On November 27, 2017, MJ Freeway determined that this unauthorized access resulted in the theft of certain data belonging to customers of Harborside. Upon learning of this unauthorized access, MJ Freeway immediately launched an internal investigation, with the assistance of third-party forensic investigators, to determine the full nature and scope of the incident. MJ Freeway also promptly notified and has been working with Harborside to determine the types of impacted information and to whom it belongs.

What Information Was Involved? While the majority of the data stored using our software is encrypted, MJ Freeway believes that the incident could have affected certain information (including name and driver's license or identification information). Please note that because we do not collect sensitive personal information like Social Security numbers, this type of sensitive information was not affected by this incident. In addition, we have confirmed that this incident did not affect any financial account information or any credit or debit card account numbers. To date, we have no evidence of any actual or attempted misuse of the data as a result of this incident.

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What We Are Doing. We take this incident and the security of your personal information seriously at MJ Freeway. Since being informed of this incident, MJ Freeway has been working diligently, with the assistance of third-party forensic investigators, to confirm the scope of the incident and to implement additional security measures to better prevent future incidents of this kind. MJ Freeway has notified law enforcement about this incident.

We are also providing you with notice of this incident, information you can use to better protect against identity theft and fraud, and access to 12 months of complimentary credit monitoring and identity restoration services with Experian.

What You Can Do. You can enroll to receive the complimentary credit monitoring and identity restoration services. Although sensitive personal information like Social security numbers or financial account information were not at risk in this incident, we encourage you to review the enclosed *Privacy Safeguards Information*, which describes additional steps you may take to help protect yourself, including recommendations from the Federal Trade Commission regarding identity theft protection and includes information on how to enroll in the credit monitoring and identity restoration services.

For More Information. We understand that you may have questions about this incident that are not addressed in this letter. If you have additional questions, please contact our dedicated assistance line at 877.213.5100 (toll-free), Monday through Friday, 9:00 am – 7:00 pm EST. We sincerely regret any inconvenience or concern this incident has caused you.

Sincerely,

Jessica Billingsley

Co-Founder & President

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### **PRIVACY SAFEGUARDS INFORMATION**

**Enroll in Credit Monitoring**. To help detect the possible misuse of your information, MJ Freeway is offering you access to 12 months of complimentary credit monitoring and identity restoration services with Experian.

Experian's fraud detection tools, including credit monitoring, are provided using IdentityWorks<sup>SM</sup>. This product provides you with superior identity detection and resolution of identity theft. To activate your one-year membership and start monitoring your personal information please follow the steps below:

- Ensure that you enroll by: May 31, 2018 (Your code will not work after this date.)
- Visit the Experian IdentityWorks website to enroll: www.experianidworks.com/credit
- Provide your activation code: ABCDEFGHI

If you have questions about the product, need assistance with identity restoration or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at (877) 890-9332 by **May 31, 2018**. Be prepared to provide engagement number **DB05538** as proof of eligibility for the identity restoration services by Experian.

## Additional details regarding your 12-month Experian IdentityWorks Membership:

A credit card is **not** required for enrollment in Experian IdentityWorks.

You can contact Experian **immediately** regarding any fraud issues, and have access to the following features once you enroll in Experian IdentityWorks:

- Experian credit report at signup: See what information is associated with your credit file. Daily credit reports are available for online members only. 1
- Credit Monitoring: Actively monitors Experian, Equifax and Transunion files for indicators of fraud.
- ♦ Internet Surveillance: Technology searches the web, chat rooms & bulletin boards 24/7 to identify trading or selling of your personal information on the Dark Web.
- Identity Restoration: Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- ◆ Experian IdentityWorks ExtendCARE<sup>TM</sup>: You receive the same high level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- Up to \$1 Million Identity Theft Insurance<sup>2</sup>: Provides coverage for certain costs and unauthorized electronic fund transfers.

If you believe there was fraudulent use of your information and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent at (877) 890-9332. If, after discussing your situation with an agent, it is determined that Identity Restoration support is needed, then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

Please note that this Identity Restoration support is available to you for one year from the date of this letter and does not require any action on your part at this time. The Terms and Conditions for this offer are located at <a href="https://www.ExperianIDWorks.com/restoration">www.ExperianIDWorks.com/restoration</a>. You will also find self-help tips and information about identity protection at this site.

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<sup>&</sup>lt;sup>1</sup>Offline members will be eligible to call for additional reports quarterly after enrolling.

<sup>&</sup>lt;sup>2</sup>Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

## Monitor Your Accounts.

<u>Credit Reports</u>. We encourage you to remain vigilant against incidents of identity theft and fraud by reviewing your account statements and monitoring your free credit reports for suspicious activity. Under U.S. law, you are entitled to one free credit report annually from each of the three major credit reporting bureaus. To order your free credit report, visit <a href="https://www.annualcreditreport.com">www.annualcreditreport.com</a> or call, toll-free, 1-877-322-8228. You may also contact the three major credit bureaus directly to request a free copy of your credit report.

<u>Fraud Alerts</u>. At no charge, you can also have these credit bureaus place a "fraud alert" on your file that alerts creditors to take additional steps to verify your identity prior to granting credit in your name. Note, however, that because it tells creditors to follow certain procedures to protect you, it may also delay your ability to obtain credit while the agency verifies your identity. As soon as one credit bureau confirms your fraud alert, the others are notified to place fraud alerts on your file. Should you wish to place a fraud alert, or should you have any questions regarding your credit report, please contact any one of the agencies listed below:

Equifax
P.O. Box 105069
Atlanta, GA 30348
800-525-6285
www.equifax.com

Experian
P.O. Box 2002
Allen, TX 75013
888-397-3742
www.experian.com

TransUnion
P.O. Box 2000
Chester, PA 19106
800-680-7289
www.transunion.com

<u>Security Freeze</u>. You may also place a security freeze on your credit reports. A security freeze prohibits a credit bureau from releasing any information from a consumer's credit report without the consumer's written authorization. However, please be advised that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing, or other services. If you have been a victim of identity theft and you provide the credit bureau with a valid police report, it cannot charge you to place, lift, or remove a security freeze. In all other cases, a credit bureau may charge you a fee to place, temporarily lift, or permanently remove a security freeze. Fees vary based on where you live, but commonly range from \$3 to \$15. You will need to place a security freeze separately with each of the three major credit bureaus listed above if you wish to place a freeze on all of your credit files. In order to request a security freeze, you will need to supply your full name, address, date of birth, Social Security number, current address, all addresses for up to five previous years, email address, a copy of your state identification card or driver's license, and a copy of a utility bill, bank or insurance statement, or other statement proving residence. To find out more on how to place a security freeze, you can use the following contact information:

Equifax Security Freeze P.O. Box 105788 Atlanta, GA 30348 1-800-685-1111 www.freeze.equifax.com Experian Security Freeze P.O. Box 9554 Allen, TX 75013 1-888-397-3742 www.experian.com/freeze/ TransUnion
P.O. Box 2000
Chester, PA 19016
1-888-909-8872
www.transunion.com/credit-freeze/place-credit-freeze

Additional Information. You can further educate yourself regarding identity theft, security freezes, fraud alerts, and the steps you can take to protect yourself against identity theft and fraud by contacting the Federal Trade Commission or your state Attorney General. The Federal Trade Commission can be reached at: 600 Pennsylvania Avenue NW, Washington, DC 20580; <a href="https://www.identitytheft.gov">www.identitytheft.gov</a>; 1-877-ID-THEFT (1-877-438-4338); and TTY: 1-866-653-4261. The Federal Trade Commission encourages those who discover that their information has been misused to file a complaint with them. Instances of known or suspected identity theft should be reported to law enforcement, the Federal Trade Commission, and your state Attorney General. This notice has not been delayed as the result of a law enforcement investigation.