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March 11, 2022

VIA E-MAIL (IDTHEFT@OAG.STATE.MD.US)

Brian E. Frosh
Attorney General
Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202

Re: Incident Notification

Dear Attorney General Frosh:

We are writing on behalf of our client, American Financial Resources Inc. (“AFR”), to notify your office of a cybersecurity incident. AFR headquarters is located at 9 Sylvan Way, Parsippany, New Jersey 07054.

On December 20, 2021, AFR identified suspicious activity within its network, began an investigation, secured the systems, and notified law enforcement. Through the investigation, AFR determined certain files were accessed without authorization between December 6-20, 2021. AFR conducted a comprehensive review of the files to determine what information was contained in the files. On February 4, 2022, AFR determined that the names, Social Security numbers, and for some individuals’ driver’s license numbers of 4,046 loan customers residing in Maryland were contained in the files.

This incident also involves 30 current and former employees of AFR and certain dependents residing in Maryland. The information involved for these individuals includes names, Social Security numbers, and in some instances bank account information.

On March 11, 2022, AFR will begin mailing notification letters to the Maryland residents in accordance with Md. Code Ann., Com. Law § 14-3504¹, via United States First-Class mail. A copy of the notification letter is enclosed. AFR is offering the Maryland residents a complimentary

¹ AFR is providing notice to its loan customers pursuant to the rules, regulations, procedures, and guidelines established by the Gramm-Leach-Bliley Act (“GLBA”). This report does not waive AFR’s objection that Maryland lacks regulatory authority over it related to any claims that may arise from this incident regarding its loan customers.

March 11, 2022

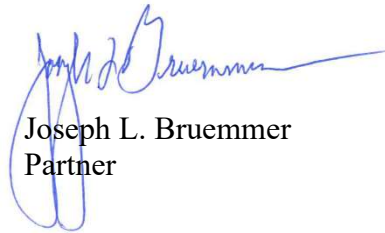
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one-year subscription to identity monitoring services through Kroll. A dedicated, toll-free call center has been established for individuals to call with questions about the incident.

To help prevent something like this from happening in the future, AFR has implemented additional measures to enhance its existing security protocols, including deploying an advanced endpoint detection and response tool, upgrading server and domain controller software, and enhancing multifactor authentication.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph L. Bruemmer", with a long horizontal flourish extending to the right. Below the signature, the name and title are printed.

Joseph L. Bruemmer
Partner

Enclosure



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

<<first_name>> <<middle_name>> <<last_name>> <<suffix>>
<<address_1>>
<<address_2>>
<<city>>, <<state_province>> <<postal_code>>
<<country>>

Dear <<first_name>>:

American Financial Resources (“AFR”) understands the importance of protecting the information that we maintain. We are writing to inform you of an incident that involves some of your information. This notice explains the incident, measures we have taken, and some steps you may consider taking in response.

We recently concluded an investigation into a security incident involving some of our computer systems. Upon learning of the incident, we secured our network, launched an investigation, and notified law enforcement. Through the investigation, we determined that certain AFR files were accessed without authorization between December 6 – 20, 2021. AFR conducted a comprehensive review of the files that were accessed and, on February 4, 2022, determined that a file contained your <<b2b_text_1(name, data elements)>>.

We wanted to notify you of the incident and assure you that we take it very seriously. We also encourage you to remain vigilant by reviewing your account statements and credit reports for any unauthorized activity. If you see charges or activity you did not authorize, please contact your financial institutions immediately.

Additionally, AFR is offering you a complimentary one-year membership to Kroll’s identity monitoring services. This service helps detect possible misuse of your personal information and provides you with identity monitoring services focused on immediate identification and resolution of identity theft. This service is completely free to you and activating this program will not hurt your credit score. For more information about Kroll’s identity monitoring, including instructions on how to activate your complimentary one-year membership, please visit <https://enroll.krollmonitoring.com>. You have until <<b2b_text_6(activation deadline)>> to activate your identity monitoring services. Your membership number to activate is: <<Membership Number s_n>>.

We apologize for any inconvenience this incident may cause you. To help prevent something like this from happening in the future, we have implemented additional measures to enhance our existing security protocols. These measures include deploying a new advanced endpoint detection and response tool, resetting user passwords, upgrading server and domain controller software, and enhancing multifactor authentication. We also notified law enforcement and are cooperating with their investigation.

If you have any questions, please call 1-???-???-???, Monday through Friday, between 8:00 a.m. and 5:30 p.m. Central Time, excluding major US holidays.

Sincerely,

William S. Packer

William S. Packer
Executive Vice President and Chief Operations Officer
American Financial Resources, Inc.



TAKE ADVANTAGE OF YOUR IDENTITY MONITORING SERVICES

You have been provided with access to the following services from Kroll:

Single Bureau Credit Monitoring

You will 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 will have the option to call a Kroll fraud specialist, who will be able to help you determine if it is an indicator of identity theft.

Fraud Consultation

You have unlimited access to consultation with a Kroll fraud specialist. 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 Theft Restoration

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

If you prefer to activate these services offline and receive monitoring alerts via the US Postal Service, you may activate via our automated phone system by calling 1-888-653-0511, Monday through Friday, 8:00 a.m. to 5:30 p.m. Central time, excluding major U.S. holiday. Please have your membership number located in your letter ready when calling. Please note that to activate monitoring services, you will be required to provide your name, date of birth, and Social Security number through our automated phone system.

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

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.

ADDITIONAL STEPS YOU CAN TAKE

We remind you it is always advisable to be vigilant for incidents of fraud or identity theft by reviewing your account statements and free credit reports for any unauthorized activity over the next 12 to 24 months. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report, please visit www.annualcreditreport.com or call toll free at 1-877-322-8228. Contact information for the three nationwide credit reporting companies is as follows:

- *Equifax*, PO Box 740241, Atlanta, GA 30374, www.equifax.com, 1-800-685-1111
- *Experian*, PO Box 2002, Allen, TX 75013, www.experian.com, 1-888-397-3742
- *TransUnion*, PO Box 2000, Chester, PA 19016, www.transunion.com, 1-800-916-8800

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 state. You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You should also contact your local law enforcement authorities and file a police report. Obtain a copy of the police report in case you are asked to provide copies to creditors to correct your records. Contact information for the Federal Trade Commission is as follows:

- *Federal Trade Commission*, Consumer Response Center, 600 Pennsylvania Avenue NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), www.identitytheft.gov

Fraud Alerts and Credit or Security Freezes:

Fraud Alerts: There are two types of general fraud alerts you can place on your credit report to put your creditors on notice that you may be a victim of fraud—an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for one year. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate documentary proof. An extended fraud alert stays on your credit report for seven years.

To place a fraud alert on your credit reports, contact one of the nationwide credit bureaus. A fraud alert is free. The credit bureau you contact must tell the other two, and all three will place an alert on their versions of your report.

For those in the military who want to protect their credit while deployed, an Active Duty Military Fraud Alert lasts for one year and can be renewed for the length of your deployment. The credit bureaus will also take you off their marketing lists for pre-screened credit card offers for two years, unless you ask them not to.

Credit or Security Freezes: You have the right to put a credit freeze, also known as a security freeze, on your credit file, free of charge, which makes it more difficult for identity thieves to open new accounts in your name. That's because most creditors need to see your credit report before they approve a new account. If they can't see your report, they may not extend the credit.

How do I place a freeze on my credit reports? There is no fee to place or lift a security freeze. Unlike a fraud alert, you must separately place a security freeze on your credit file at each credit reporting company. For information and instructions to place a security freeze, contact each of the credit reporting agencies at the addresses below:

- **Experian Security Freeze**, PO Box 9554, Allen, TX 75013, www.experian.com
- **TransUnion Security Freeze**, PO Box 2000, Chester, PA 19016, www.transunion.com
- **Equifax Security Freeze**, PO Box 105788, Atlanta, GA 30348, www.equifax.com

You'll need to supply your name, address, date of birth, Social Security number and other personal information.

After receiving your freeze request, each credit bureau will provide you with a unique PIN (personal identification number) or password. Keep the PIN or password in a safe place. You will need it if you choose to lift the freeze.

How do I lift a freeze? A freeze remains in place until you ask the credit bureau to temporarily lift it or remove it altogether. If the request is made online or by phone, a credit bureau must lift a freeze within one hour. If the request is made by mail, then the bureau must lift the freeze no later than three business days after getting your request.

If you opt for a temporary lift because you are applying for credit or a job, and you can find out which credit bureau the business will contact for your file, you can save some time by lifting the freeze only at that particular credit bureau. Otherwise, you need to make the request with all three credit bureaus.

American Financial Resources: 9 Sylvan Way, Parsippany, NJ 07054; 888-913-3912

Additional information for residents of the following states:

Maryland: You may contact and obtain information from your state attorney general at: *Maryland Attorney General's Office*, 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023 / 1-410-576-6300, www.oag.state.md.us

New York: You may contact and obtain information from these state agencies: *New York Department of State Division of Consumer Protection*, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231-0001, 518-474-8583 / 1-800-697-1220, <http://www.dos.ny.gov/consumerprotection>; and *New York State Office of the Attorney General*, The Capitol, Albany, NY 12224-0341, 1-800-771-7755, <https://ag.ny.gov>

North Carolina: You may contact and obtain information from your state attorney general at: *North Carolina Attorney General's Office*, 9001 Mail Service Centre, Raleigh, NC 27699, 1-919-716-6000 / 1-877-566-7226, www.ncdoj.gov

Rhode Island: This incident involves 399 individuals in Rhode Island. Under Rhode Island law, you have the right to file and obtain a copy of a police report. You also have the right to request a security freeze, as described above. You may contact and obtain information from your state attorney general at: *Rhode Island Attorney General's Office*, 150 South Main Street, Providence, RI 02903, 1-401-274-4400, www.riag.ri.gov

West Virginia: You have the right to ask that nationwide consumer reporting agencies place “fraud alerts” in your file to let potential creditors and others know that you may be a victim of identity theft, as described above. You also have a right to place a security freeze on your credit report, as described above.

A Summary of Your Rights Under the Fair Credit Reporting Act: The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Your major rights under the FCRA are summarized below. For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.

- You must be told if information in your file has been used against you.
- You have the right to know what is in your file.
- You have the right to ask for a credit score.
- You have the right to dispute incomplete or inaccurate information.
- 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 reports to be provided to employers.
- You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.
- You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.
- You may seek damages from violators.
- Identity theft victims and active duty military personnel have additional rights.