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September 8, 2023

Reed Freeman

Partner

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Office of the Attorney General
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202
Via Electronic Mail to: Idtheft@oag.state.md.us

NOTICE OF DATA SECURITY BREACH

Dear Sir or Madame:

We serve as counsel for VelocitySBA, LLC ("VelocitySBA"), located at 695 Town Center Dr., Ste 240, Costa Mesa, CA 92626, and write to inform you of a recent cybersecurity incident. While VelocitySBA is unaware of any actual misuse of personal information, we are providing notice to you about this incident pursuant to applicable state law.

On April 2, 2023, VelocitySBA, LLC (VelocitySBA) became aware that its computer systems holding customer personal information were subject to a ransomware attack which occurred the prior day, April 1, 2023. This ransomware attack was discovered by VelocitySBA's Systems Administrator after employees reported that they were unable to access certain databases. As part of the attack, VelocitySBA's computer systems were encrypted for approximately 24 hours, preventing VelocitySBA from accessing customer personal information. This incident also impacted VelocitySBA's ability to complete ACH payments from April 1 to April 4, 2023. The records impacted include: loan applications; financial statements; consumer credit reports; tax documents or tax returns; bankruptcy filings; and copies of state or government IDs.

While we have no evidence that personal information was acquired, the personal information present in the computer systems accessed may have included:

- Names
- Mailing addresses
- Phone numbers (mobile and/or home)
- Email addresses
- Dates of birth
- Social Security numbers

- Driver's license numbers or other state or government IDs (including photocopies of such)
- Tax Returns and Tax Forms, including individual taxpayer identification numbers
- Financial statements and financial account numbers
- Financial account numbers plus a security codes, access codes, or passwords that may permit access to the accounts
- Credit reports, including credit scores and credit histories

Protecting the privacy and security of personal information is of critical importance to Velocity SBA. Though we have no basis to believe that any of this personal information was used, VelocitySBA is informing Maryland residents of this incident because they respect their privacy. At this time, we are aware of two Maryland residents potentially affected by this incident. Each such resident will receive notification of this incident in a hard-copy letter via U.S. Mail dated September 11, 2023.

Velocity SBA has taken a number of steps to mitigate potential harm and remedy the incident. On April 3, 2023, VelocitySBA secured access to its systems, began migrating all data to a cloud server with enhanced security, and implemented additional technical and organizational controls.

On April 4, 2023, VelocitySBA notified the U.S. Small Business Administration. On April 5, 2023, VelocitySBA notified the Federal Bureau of Investigation.

After conducting a full investigation of the incident with the support of cybersecurity and privacy experts, VelocitySBA has put in place additional security controls to protect against future attacks, and they are actively monitoring to protect against further incidents. This includes enhanced security around access to their systems, requiring a second form of verification (Multi Factor Authentication), more complex user-restricted access, redundant backup of the data, and continuous monitoring of their systems to protect against further incidents.

VelocitySBA is offering affected residents two years of free credit monitoring through Experian.

Please contact me with questions about this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Freeman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Reed Freeman



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

September 11, 2023

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ANYTOWN, FC 1A2 B3C

COUNTRY



RE: NOTICE OF DATA SECURITY BREACH

Dear VelocitySBA, LLC Customer:

We're writing to you as a valued customer of VelocitySBA, LLC ("VelocitySBA") to inform you of a cybersecurity incident that affected our business and possibly your personal information. While we are unaware of any actual misuse of your information, we are providing notice to you about this incident because your privacy is of the utmost importance to us.

What Happened? On April 2, 2023, VelocitySBA became aware that its computer systems holding customer personal information were subject to a ransomware attack. As part of the attack, VelocitySBA's computer systems were encrypted for approximately 24 hours, preventing VelocitySBA from accessing customer personal information. This incident also impacted VelocitySBA's ability to complete ACH payments from April 1, 2023, until April 4, 2023.

The records impacted include: loan applications; financial statements; consumer credit reports; tax documents or tax returns; bankruptcy filings; and copies of state or government IDs.

When Did It Happen? The ransomware attack occurred on April 1, 2023.

What Information Was Involved? While we have no evidence that your personal information was acquired, the personal information present in the computer systems accessed may have included:

- Name
- Mailing address
- Phone number, mobile and/or home
- Email address
- Date of birth
- Social Security number
- Driver's license number or other state or government IDs (including photocopies of such)
- Tax Returns and Tax Forms, including individual taxpayer identification number
- Financial statements and financial account numbers
- Financial account numbers plus a security code, access code, or password that may permit access the account
- Credit reports, including credit score and credit history

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What Are We Doing About It? Protecting the privacy and security of your personal information is of critical importance to VelocitySBA. Though we have no basis to believe that any of your personal information was used, VelocitySBA is informing you of this incident because we respect your privacy.

On April 3, 2023, VelocitySBA secured access to its systems, began migrating all data to a cloud server with enhanced security, and implemented additional technical, and organizational controls.

On April 4, 2023, VelocitySBA notified the U.S. Small Business Administration.

On April 5, 2023, VelocitySBA notified the Federal Bureau of Investigation.

After conducting a full investigation of the incident, we have put in place additional security controls to protect against future attacks. This includes enhanced security around access to our system requiring a second form of user verification (MFA), more complex user-restricted access, redundant backup of the data, and continuous monitoring to protect against further incidents.

What Can You Do To Protect Yourself? You can protect yourself from identity theft by remaining vigilant and reviewing account statements and monitoring free credit reports from consumer reporting agencies.

To provide you with support as you monitor your personal information, VelocitySBA is offering two years of free credit monitoring through Experian. Please see the section below called **"How Do I Sign Up For Free Credit Monitoring?"** for more details about the services available to you and how to enroll.

Copy of Credit Report: For your convenience, we have provided contact information for the three nationwide credit reporting agencies below. These nationwide credit reporting agencies provide a free copy of your credit report, at your request, once every 12 months:

Equifax (800) 525-6285 www.equifax.com Equifax Credit Information Services P.O. Box 740241 Atlanta, GA 30374	Experian (888) 397-3742 www.experian.com Experian National Consumer Assistance Center P.O. Box 4500 Allen, TX 75013	TransUnion (800) 680-7289 www.transunion.com TransUnion Consumer Relations P.O. Box 2000 Chester, PA 19106-2000
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You may also contact additional consumer reporting agencies by reviewing the list on the Consumer Financial Protection Bureau's website at <https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/consumer-reporting-companies/companies-list/>.

Contact the Federal Trade Commission: The FTC provides further information on fraud alerts, security freezes, and how to protect yourself from identity theft. The FTC can be contacted by mail at 600 Pennsylvania Avenue, NW, Washington, DC 20580; by phone at 1-877-ID-THEFT (877-438-4338); or online at www.consumer.gov/idtheft.

Security Freeze: You have the ability to place a security freeze on your credit report at no charge. A security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent but may delay your ability to obtain credit. To place a security freeze, you must contact each of the three credit bureaus listed above and

may be required to provide your full name; Social security number; date of birth; the addresses where you have lived over the past five years; proof of current address, such as a utility bill or telephone bill; a copy of a government issued identification card; and if you are the victim of identity theft, the police report, investigative report, or complaint to a law enforcement agency.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To remove the security freeze, you must contact each of the three credit bureaus and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

Suspected Identity Theft: Your state attorney general may also have advice on preventing identity theft, and you should report instances of known or suspected identity theft to law enforcement, your state attorney general, or the U.S. Federal Trade Commission ("FTC"). Residents of Maryland and the District of Columbia may contact their state attorneys general at the addresses below.

- **Office of the Attorney General for the District of Columbia**, 406 6th Street NW, Washington, D.C. 20001; (202) 727-3400, <https://oag.dc.gov/>
- **Maryland Office of the Attorney General**, Consumer Protection Division, 200 St. Paul Place, Baltimore, MD 21202; toll-free: 1-888-743-0023; <https://www.marylandattorneygeneral.gov/>

Federal Fair Credit Reporting Act Rights: You have rights under the federal Fair Credit Reporting Act (FCRA), which governs the collection and use of information pertaining to you by consumer reporting agencies. For more information about your rights under the FCRA, please visit www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf or www.ftc.gov.

How Do I Sign Up For Free Credit Monitoring?

To help protect your identity, we are offering complimentary access to Experian IdentityWorksSM for 24 months.

If you believe there was fraudulent use of your information as a result of this incident and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent. 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 from the date of the incident (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 Identity Restoration is available to you for 24 months 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 www.ExperianIDWorks.com/restoration.

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While identity restoration assistance is immediately available to you, we also encourage you to activate the fraud detection tools available through Experian IdentityWorks as a complimentary 24-month membership. This product provides you with superior identity detection and resolution of identity theft. To start monitoring your personal information, please follow the steps below:

- Ensure that you **enroll by December 31, 2023** (Your code will not work after this date.)
- **Visit** the Experian IdentityWorks website to enroll:
<https://www.experianidworks.com/credit>
- Provide your **activation code**: [REDACTED]

If you have questions about the product, need assistance with Identity Restoration that arose as a result of this incident, or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at 888-397-0081 by December 31, 2023. Be prepared to provide engagement number B103656 as proof of eligibility for the Identity Restoration services by Experian.

ADDITIONAL DETAILS REGARDING YOUR 24-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.*
- **Credit Monitoring:** Actively monitors Experian file for indicators of fraud.
- **Identity Restoration:** Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **\$1 Million Identity Theft Insurance**:** Provides coverage for certain costs and unauthorized electronic fund transfers.

* Offline members will be eligible to call for additional reports quarterly after enrolling.

** The Identity Theft Insurance is underwritten and administered by American Bankers Insurance Company of Florida, an Assurant company. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

For More Information. We sincerely regret any inconvenience or concern caused by this incident. If you have further questions or concerns, or would like an alternative to enrolling online, please call 888-397-0081 toll-free Monday through Friday from 8 am – 10 pm Central, or Saturday and Sunday from 10 am – 7 pm Central (excluding major U.S. holidays). Be prepared to provide your engagement number B103656.

For more information or assistance, call 888-397-0081. You may also contact us via email at [REDACTED] or by writing to: VelocitySBA, LLC, c/o Chief Operating and Risk Officer, 695 Town Center Dr., Ste 240, Costa Mesa, CA 92626.

Sincerely,

[REDACTED]
Chief Operating and Risk Officer

B103656