WILSON ELSER

January 22, 2016

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By Email

Attorney General Tom Miller
Office of the Attorney General
Consumer Protection Division
1305 E. Walnut Street
Des Moines, IA 50319
consumer@iowa.gov

Re: Data Security Incident

Dear Attorney General Miller:

We represent HK Financial Services ("HKFS") with respect to a recent data security incident involving the potential exposure of certain personally identifiable information described in more detail below.

HKFS provides its clients with financial services, such as asset management, risk management, brokerage, and retirement plan consulting services. HKFS contracts with third-party vendor Orion Advisor Services, LLC ("Orion") to provide HKFS with services such as statement management and account maintenance, reconciliation, and communication tools.

1. Nature of security incident.

On January 11, 2016, one of Orion's employees sent an email from the HKFS info@HKFS.com email account to a limited number of HKFS clients regarding online quarterly statement availability. Unfortunately, the employee inadvertently included in the email information related to certain household accounts. The information may have included HKFS clients' name, address, date of birth, the last four digits of their Social Security number, investment account number, account balance, and other administrative information. The incident did not include account passwords or access codes, and neither Orion nor HKFS are aware of any fraudulent or unauthorized activity resulting from this event.

2. **Number of Iowa residents affected.**

One-thousand, four-hundred and eighty-four (1,484) Iowa residents were affected by the security incident. A notification letter was sent to these individuals on January 22, 2015 via first class mail. A copy of the notification letter is included with this letter.

3. **Steps you have taken or plan to take relating to the incident.**

HKFS is taking steps to prevent this type of event from happening again. This includes coordinating with Orion, which is continuing to enhance its security by implementing tools that will scan emails for personally identifiable information before sending and is requiring additional reviews and approvals prior to the submission of any e-statement notifications. HKFS is also offering potentially impacted individuals credit monitoring and identity restoration services through AllClear ID for two years. Notice was also provided to the credit reporting agencies.

4. Contact information.

HKFS remains dedicated to protecting the sensitive information of its clients. If you have any questions or need additional information, please do not hesitate to contact me at Melissa.Ventrone@wilsonelser.com or (312) 821-6105.

Very truly yours,

Wilson Elser Moskowitz Edelman & Dicker LLP

Melissa K. Ventrone

Enclosure

HK Financial Services
Processing Center • P.O. BOX 141578 • Austin, TX 78714

00046
00003
ACD1234
JOHN Q. SAMPLE
1234 MAIN STREET
ANYTOWN US 12345-6789

January 22, 2016

Dear John Sample:

On January 11, 2016, we became aware that an employee of our third-party client services vendor, Orion Advisor Services ("Orion"), sent an email to a limited number of HK Financial Services clients that inadvertently included your personal information, including your name and the financial account number for your investment account. Your Social Security number was not exposed, and remains secure, as do all passwords and access codes. The attached letter from Orion provides more detail about the incident, the information disclosed, and the resources we are making available to you.

We take the privacy and security of your information very seriously, and understand this error is unacceptable. We sincerely apologize for any concern or inconvenience this may cause you. We are working with Orion to fully understand how this incident occurred, and to prevent anything like this from happening again. If you have any questions, please call 1-877-437-4004 8 a.m. to 8 p.m. (Central Time), Monday – Saturday.

Your trust is a top priority for HK Financial Services, and we look forward to continuing to serve you.

Sincerely,

John Darrah
CEO
HK Financial Services

01-03-3-00

ORION
ADVISOR SERVICES, LLC

Processing Center • P.O. BOX 141578 • Austin, TX 78714

00046
JOHN Q. SAMPLE
1234 MAIN STREET
ANYTOWN US 12345-6789

00003
ACD1234

January 22, 2016

Dear John Sample:

We are writing to inform you of a data security incident involving your personal information, including your name and financial account number for your investment accounts. Your full Social Security number was not exposed, and remains secure. This letter contains information about steps you can take to protect your information, and resources we are making available to help you.

Who are we?

Orion Advisor Services, LLC ("Orion") is a third-party vendor that provides HK Financial Services ("HKFS") with services such as statement management and account maintenance, reconciliation, and communication tools. We take the privacy and security of HKFS client information very seriously, and we deeply regret any concern or inconvenience this may cause you.

What happened and what information was involved?

On January 11, 2016, one of Orion's employees sent an email from the HKFS info@HKFS.com email account to a limited number of HKFS clients regarding online quarterly statement availability. Unfortunately, the employee inadvertently included in the email information related to certain household accounts. The information may have included your name, address, date of birth, the last four digits of your Social Security number, investment account number, account balance, and other administrative information. The incident did not include account passwords or access codes, and neither Orion nor HKFS are aware of any fraudulent or unauthorized activity resulting from this event.

What is being done to protect you?

We are continuing to enhance our security by implementing tools that will scan emails for personally identifiable information before sending and are requiring additional reviews and approvals prior to the submission of any e-statement notifications. Additionally, although we do not believe you are at risk for identity theft, arrangements have been made to provide you access to AllClear ID to help protect your identity for 24 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 24 months:

> AllClear SECURE: The team at AllClear ID is ready and standing by if you need identity repair assistance. This service is automatically available to you with no enrollment required. If a problem arises, simply call 1-877-437-4004 and a dedicated investigator will help recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

02-03-3

AllClear PRO: This service offers additional layers of protection including credit monitoring and a $1 million identity theft insurance policy. To use the PRO 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 1-877-437-4004 using the following redemption code: Redemption Code.

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

For more information:

In addition to the steps we are taking, we suggest you monitor your accounts over the next 12 to 24 months, and promptly report any suspicious activity by calling the client services number on your account statement. If you have any further questions, please call 1-877-437-4004 between 8 a.m. and 8 p.m. (Central Time), Monday – Saturday. The privacy and protection of your information is a matter we take very seriously, and we sincerely apologize for any concern this may cause you.

Sincerely,

Melissa Graves
Managing Director of Service
Orion Advisor Services, LLC

Information about Identity Theft Prevention

We recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. You may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below.

Equifax: P.O. Box 740241, Atlanta, Georgia 30374-0241, 1-800-685-1111, www.equifax.com
Experian: P.O. Box 9532, Allen, TX 75013, 1-888-397-3742, www.experian.com
TransUnion: P.O. Box 1000, Chester, PA 19022, 1-800-888-4213, www.transunion.com

When you receive your credit reports, review them carefully. Look for accounts or creditor inquiries that you did not initiate or do not recognize. Look for 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.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports, and promptly report any suspicious activity or suspected identity theft to us and to the proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission ("FTC"). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding identity theft.

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

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General:

Maryland Office of the Attorney General, Consumer Protection Division
200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us

For residents of Massachusetts: You also have the right to obtain a police report.

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from the North Carolina Attorney General's Office:

North Carolina Attorney General's Office, Consumer Protection Division
9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov

Fraud Alerts: There are also two types of fraud alerts that 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 at least 90 days. 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. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three national credit reporting agencies listed below.

Equifax: 1-888-766-0008, www.equifax.com
Experian: 1-888-397-3742, www.experian.com
TransUnion: 1-800-680-7289, fraud.transunion.com

Credit Freezes (for Non-Massachusetts Residents): You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally $5 to $20 per action at each credit reporting company. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for

how to establish a credit freeze differ from state to state, please contact the three major credit reporting companies as specified below to find out more information:

Equifax:	P.O. Box 105788, Atlanta, GA 30348, www.equifax.com
Experian:	P.O. Box 9554, Allen, TX 75013, www.experian.com
TransUnion LLC:	P.O. Box 2000, Chester, PA, 19022-2000, freeze.transunion.com

You can obtain more information about fraud alerts and credit freezes by contacting the FTC or one of the national credit reporting agencies listed above.

Credit Freezes (for Massachusetts Residents): Massachusetts law gives you the right to place a security freeze on your consumer reports. A security freeze is designed to prevent credit, loans and services from being approved in your name without your consent. Using a security freeze, however, may delay your ability to obtain credit. You may request that a freeze be placed on your credit report by sending a request to a credit reporting agency by certified mail, overnight mail or regular stamped mail to the address below:

Equifax:	P.O. Box 105788, Atlanta, GA 30348, www.equifax.com
Experian:	P.O. Box 9554, Allen, TX 75013, www.experian.com
TransUnion LLC:	P.O. Box 2000, Chester, PA, 19022-2000, freeze.transunion.com

Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company. The following information should be included when requesting a security freeze (documentation for you and your spouse must be submitted when freezing a spouse's credit report): full name, with middle initial and any suffixes; Social Security number; date of birth (month, day and year); current address and previous addresses for the past five (5) years; and applicable fee (if any) or incident report or complaint with a law enforcement agency or the Department of Motor Vehicles. The request should also include a copy of a government-issued identification card, such as a driver's license, state or military ID card, and a copy of a utility bill, bank or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue (statement dates must be recent). The credit reporting company may charge a reasonable fee of up to $5 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and have submitted a valid police report relating to the identity theft to the credit reporting company.