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CONSUMER PROTECTION DIV.

September 5, 2014

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Iowa Attorney General  
Consumer Protection Division  
1305 E. Walnut Street  
Des Moines, IA 50319

Dear Attorney General:

I am counsel to Heartland Bank, an Iowa-chartered bank with offices in Gowrie, Callender, Somers, and Manson, Iowa. Based on recent investigations of the bank's computer systems, the bank believes that criminals gained limited access to a computer used by Heartland Bank on July 30, 2014. This initial breach was discovered and confirmed on August 4, 2014 and reported to law enforcement on August 5, 2014. The FBI and Secret Service were contacted and have indicated that notifications to customers can be made. At that time it was believed that the breach was limited in scope. Subsequent investigation has determined that criminals were able to gain access to additional computer systems at the bank. The bank data accessed may have included personal information such as names of our customers, social security numbers, account numbers and debit card numbers. Online electronic banking passwords and debit card pin numbers were not exposed and are secure. It was also determined at this time that information related to Heartland Insurance Agency, Inc., an insurance affiliate of Heartland Bank, was exposed to access as well. The insurance data that was accessed may have included personal information such as names of our customers, social security numbers, dates of birth, driver's license numbers, and insurance account or policy numbers. Most of those customers are residents of Iowa. Although we cannot know at this time what accounts were individually compromised, the bank has taken action to alert our customers who had information that could have been copied.

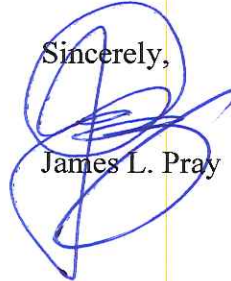
Accounts involving corporate and insurance accounts were notified in a mailing that was post-marked September 3, 2014, and accounts involving personal bank accounts were notified in a mailing that was post-marked September 4, 2014. The large number of letters prevented the mailing from being processed earlier and all on the same date.

Heartland Bank has implemented additional security measures designed to prevent a re-occurrence of such attack, and to protect the privacy of Heartland Bank's customers and the customers of its insurance affiliate. Heartland Bank hired an information security company to assist with developing additional controls to improve the confidentiality, integrity and availability of Heartland Bank's information systems and data.

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Heartland Bank is also working closely with law enforcement to ensure that the incident is properly addressed. Please let me know if there is any additional information that we can provide.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a central horizontal stroke, positioned above the printed name.

James L. Pray