

Assisted Living Concepts, LLC

330 N Wabash Ave Suite 3700
Chicago, IL 60611



March 4, 2014

Sample A. Sample
123 Anystreet
Anytown, US 12345-6789



Important Security and Protection Notification. Please read this entire letter.

Dear Sample A. Sample,

We write to inform you about a security concern involving your personal information. We have recently learned that payroll records regarding our current and former employees were accessed by an unauthorized third party. We believe it is important to inform you that your personal information may be at risk, and to offer to help you to take precautions to protect yourself. Assisted Living Concepts is committed to safeguarding the confidential information that has been entrusted to us, and we have made arrangements to assist you in this matter, as detailed below.

As background, Assisted Living Concepts utilizes an external vendor that provides us with payroll services. On February 14, 2014, the payroll vendor notified us that there appeared to be some evidence of possible unauthorized access to our payroll information. We immediately began an investigation. That investigation has determined that an unauthorized third party improperly obtained access to our vendor user credentials and then gained access into the vendor's systems, which contained our payroll files for current and former employees, including . This activity occurred between December 14, 2013 and January 14, 2014. Our investigation of this matter is continuing.

Assisted Living Concepts takes the protection of its employees' and former employees' personal information seriously, and we regret that this unauthorized situation has occurred. We have reported the incident to law enforcement authorities, including the Federal Bureau of Investigation (FBI), and are cooperating with them. In addition, upon learning of this issue, we immediately took steps to prevent any further unauthorized access to our payroll systems, deactivating the user credentials that were compromised and taking our payroll systems offline until the issues were resolved. Our vendor has also implemented a new, two-factor authentication procedure for access to sensitive payroll records. We are utilizing this new additional capability going forward.

In working with the FBI and the Internal Revenue Service (IRS) on this matter, the FBI and IRS have advised us that they believe that the personal information accessed in this case may be used by criminals to file fraudulent tax returns. We are working with the FBI and the IRS to take steps to reduce the chance that this occurs. To help with that process, the IRS has asked us to encourage you to file your tax return as soon as reasonably possible. Further, you should complete IRS Identity Theft Affidavit, which is available at <http://www.irs.gov/pub/irs-pdf/f14039.pdf>. You may also contact the IRS Identity Protection Specialized Unit at 1-800-908-4490 with any questions.

To mitigate potential risk to you, Assisted Living Concepts has arranged for a complimentary one-year membership of Experian's® ProtectMyID® Alert. This product helps detect possible misuse of your personal information and provides you with superior identity protection support focused on immediate identification and resolution of identity theft. We encourage you to take advantage of these services.



Activate ProtectMyID Now in Three Easy Steps

1. ENSURE **That You Enroll By: May 31, 2014** (Your code will not work after this date.)
2. VISIT the **ProtectMyID Web Site to enroll: www.protectmyid.com/redeem**
3. PROVIDE **Your Activation Code: 999999999**

If you have questions or need an alternative to enrolling online, please call 888-451-6560.

ADDITIONAL DETAILS REGARDING YOUR 12-MONTH PROTECTMYID MEMBERSHIP:

A credit card is not required for enrollment.

Once your ProtectMyID membership is activated, you will receive the following features:

- **Free copy of your Experian credit report**
- **Surveillance Alerts for:**
 - **Daily Bureau Credit Monitoring:** Alerts of key changes & suspicious activity found on your Experian, Equifax® and TransUnion® credit reports.
- **Identity Theft Resolution & ProtectMyID ExtendCARE:** Toll-free access to US-based customer care and a dedicated Identify Theft Resolution agent who will walk you through the process of fraud resolution from start to finish for seamless service. They will investigate each incident; help with contacting credit grantors to dispute charges and close accounts including credit, debit and medical insurance cards; assist with freezing credit files; contact government agencies.
 - It is recognized that identity theft can happen months and even years after a data breach. To offer added protection, you will receive ExtendCARE™, which provides you with the same high-level of Fraud Resolution support even after your ProtectMyID membership has expired.
- **\$1 Million Identity Theft Insurance*:** Immediately covers certain costs including, lost wages, private investigator fees, and unauthorized electronic fund transfers.

Once your enrollment in ProtectMyID is complete, you should carefully review your credit report for inaccurate or suspicious items. If you have any questions about ProtectMyID, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care team at 888-551-6560.

You are also entitled under U.S. law to one free credit report annually from each of the three major credit bureaus:

Equifax
800-525-6285
www.equifax.com
P.O. Box 740241
Atlanta, GA 30374

Experian
888-397-3742
www.experian.com
P.O. Box 9532
Allen, TX 75013

TransUnion Corp.
800-680-7289
www.transunion.com/fraud
P.O. Box 2000
Chester, PA 19022

You may obtain a free copy of your credit report by going to www.AnnualCreditReport.com or by calling 877-322-8228. Please remain vigilant by regularly monitoring your free credit reports and reviewing your account statements for any unauthorized activity, fraud or identity theft. You may additionally wish to consider taking some or all of the following proactive steps:

- Contacting the Federal Trade Commission (FTC) by phone at 1-877-IDTHEFT (1-877-438-4338), by visiting their website at <http://www.ftc.gov/idtheft>, or by writing to Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580, for further information and suggested practices to protect against identity theft.

- Reviewing your credit card and bank account statements and immediately reporting any suspicious activity to your local police and the FTC.
- Placing a fraud alert on your credit file. A fraud alert is a statement added to your credit file alerting creditors of possible fraudulent activity and requesting that they contact you prior to establishing any new credit account, or increase in a credit account limit, in your name. To place a fraud alert on your credit file, contact any one of the above three major credit bureaus. The agency that processes your fraud alert will notify the other two bureaus, which must then also place a fraud alert in your credit file. You may obtain further information from the FTC about fraud alerts.
- Placing a security freeze on your credit report. You may contact any one of the above major credit bureaus regarding if and how you may place a security freeze on your credit report, which would prohibit a credit bureau from releasing information from your credit report without your advance written authorization. You may also obtain further information from the FTC about security freezes.

For North Carolina residents: You may contact the FTC (contact information above) or the North Carolina Attorney General’s Office to obtain information about preventing identity theft. The North Carolina Attorney General’s Office can be reached at:

North Carolina Department of Justice
 Attorney General Roy Cooper
 9001 Mail Service Center
 Raleigh, NC 27699
 Phone: 877-566-7226
<http://www.ncdoj.com/>

For Maryland residents: You may contact the FTC (contact information above) or the Maryland Office of the Attorney General to obtain information about steps you can take to avoid identity theft. The Maryland Office of the Attorney General can be reached at:

Maryland Office of the Attorney General
 Consumer Protection Division
 200 St. Paul Place
 Baltimore, MD 21202
 Phone: 888-743-0023
<http://www.oag.state.md.us/>

For California residents: This notice was not delayed as a result of law enforcement investigation.

For Iowa residents: You may contact local law enforcement or the Iowa Attorney General to report suspected incidents of identity theft. Iowa’s Attorney General can be reached at:

Iowa Attorney General
 1305 E. Walnut Street
 Des Moines IA 50319
 Phone: 515-281-5164
 Fax: 515-281-4209
<http://www.iowaattorneygeneral.gov/>

Again, we want to apologize for any inconvenience this issue may cause to you. If you have any questions or would like additional information, please contact us at 888-451-6560.

Sincerely,



Jack R. Callison, Jr.
 Chief Executive Officer

* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of 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.



