

February 3, 2017

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**VIA EMAIL (SECURITYBREACH@ATG.WA.GOV) AND
FEDERAL EXPRESS**

Attorney General Ferguson
Office of the Attorney General
800 5th Ave., Suite 2000
Seattle, WA 98104-3188

Re: Notification of a Computer Security Incident Involving Personal Information

Dear Attorney General Ferguson:

We represent Conover Capital Management, LLC and Conover Securities Corporation (collectively, "Conover") in connection with a recent incident that may have impacted the security of certain personal information of one thousand one hundred ninety-seven (1,197) Washington residents. Conover is reporting a potential unauthorized access of unencrypted computerized data containing personal information pursuant to RCW 19.255.010. The investigation of this incident is ongoing, and this notice will be supplemented, if necessary, with any significant new facts discovered subsequent to its submission.

Background of the Incident

Conover Capital Management, LLC offers custom wealth and financial advisory services to private and corporate clients. Conover Securities Corporation provides securities brokerage and dealership services.

On November 16, 2016, an unknown individual purporting to be a Microsoft service technician was granted remote access to a Conover employee's computer. The employee's computer was linked to a client database that contained certain client personal information, including clients' names, addresses, Social Security numbers and in some instances, drivers' license numbers. Upon recognizing that the individual was not a Microsoft technician, the employee promptly terminated the access.

Upon learning of the incident, Conover promptly launched an internal investigation and reported the incident to law enforcement. Conover also retained a leading incident response and digital forensics firm to assist in Conover's investigation. Conover and the forensics firm conducted a thorough investigation into the incident to determine whether any clients' personal information had been accessed and the identities of the potentially impacted clients. That investigation was completed on or about December 23, 2016. The investigation found no direct evidence that any personal information maintained in the client database had been accessed or acquired by an unauthorized person as a result of this incident. Additionally, Conover has no reason to believe that any of the clients' personal information has been misused or is reasonably likely to be misused for the purpose of committing fraud or identity theft.

Notice to the Washington Residents

On February 3, 2017, Conover will be notifying the one thousand one hundred ninety-seven (1,197) Washington residents of the incident. Attached are samples of the notification letters that are being sent to the affected Washington residents via first-class United States mail.

Conover has also arranged to offer one (1) year of complimentary credit monitoring and identity theft protection services through Experian to the affected Washington residents.

In addition, Conover has established a confidential inquiry line (844-416-6281) that the affected Washington residents can contact between 5:00 a.m. and 3:00 p.m., Pacific time, Monday through Friday, to ask questions and to receive further information regarding the incident.

Other Steps Undertaken and To Be Undertaken by Conover

Conover has already begun taking several actions to help prevent this type of incident from occurring in the future. These actions include evaluating ways to best strengthen Conover's systems to guard against similar attacks in the future and reminding its employees of the risks of phishing attacks and providing them with additional information on best practices for cybersecurity.

Contact Information

Please contact me if you have any questions or if I can provide you with any further information concerning this matter. Thank you.

Very truly yours,


Bruce A. Radke

BAR/bah

cc: Constance E. Morrow
Conover Capital Management, LLC and Conover Securities Corporation

Sincerely,

A handwritten signature in cursive script that reads "Constance E. Morrow". The signature is written in dark ink and is positioned above the printed name.

Constance E. Morrow

Managing Member, Conover Capital Management, LLC

Vice President/Secretary and Treasurer, Conover Securities Corporation

Activating Your Complimentary Credit Monitoring

To help protect your identity, we are offering 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.

Activate ProtectMyID Now in Three Easy Steps

1. **ENSURE that you enroll by May 12, 2017.** (Your code will not work after this date.)
2. **VISIT the ProtectMyID Website to enroll:** www.protectmyid.com/redeem.
3. **PROVIDE your Activation Code:** «Credit_Monitoring».

If you have questions or need an alternative to enrolling online, please call 1-877-288-8057 and provide engagement # **PC106292**.

ADDITIONAL DETAILS REGARDING YOUR ONE -YEAR 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 the following:**
 - **Daily Bureau Credit Monitoring:** Alerts of key changes and suspicious activity found on your Experian, Equifax® and TransUnion® credit reports.
- **Identity Theft Resolution and ProtectMyID ExtendCARE:** Toll-free access to U.S.-based customer care and a dedicated Identity Theft Resolution Agent who will walk you through the process of fraud resolution from start to finish for seamless service. The agent will investigate each incident; help you contact credit grantors to dispute charges and close accounts, including credit, debit and medical insurance cards; assist with freezing credit files; and 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.

Activate your membership today at www.protectmyid.com/redeem
or call 1-877-288-8057 to register with the activation code above.

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 1-877-288-8057.

*Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of AIG. The description herein is a summary and is 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.

Additional Important Information

As a precautionary measure, we recommend that you remain vigilant to protect against potential fraud and/or identity theft by, among other things, reviewing your account statements and credit reports closely. If you detect any suspicious activity on an account, you should promptly notify the financial institution or company with which the account is maintained. You should also promptly report any fraudulent activity or any suspected incidents of identity theft to proper law enforcement authorities, including the police and your state's attorney general, as well as the Federal Trade Commission ("FTC").

You may wish to review the tips provided by the FTC on fraud alerts, security/credit freezes and steps you can take to avoid identity theft. For more information and to contact the FTC, please visit www.ftc.gov/idtheft or call 1-877-ID-THEFT (1-877-438-4338). You may also contact the FTC at Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

Credit Reports: You may obtain a free copy of your credit report once every 12 months from each of the three national credit reporting agencies by visiting <http://www.annualcreditreport.com>, by calling toll-free 1-877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348. You can print a copy of the request form at: <https://www.annualcreditreport.com/cra/requestformfinal.pdf>.

Alternatively, you may elect to purchase a copy of your credit report by contacting one of the three national credit reporting agencies. Contact information for the three national credit reporting agencies for the purpose of requesting a copy of your credit report or for general inquiries, including obtaining information about fraud alerts and placing a security freeze on your credit files, is as follows:

Equifax
1-800-349-9960
www.equifax.com
P.O. Box 105788
Atlanta, GA 30348

Experian
1-888-397-3742
www.experian.com
P.O. Box 9554
Allen, TX 75013

TransUnion
1-888-909-8872
www.transunion.com
P.O. Box 2000
Chester, PA 19022

Fraud Alerts: You may want to consider placing a fraud alert on your credit report. An initial fraud alert is free and will stay on your credit file for at least 90 days. The alert informs creditors of possible fraudulent activity within your report and requests that creditors contact you prior to establishing any new accounts in your name. To place a fraud alert on your credit report, contact any of the three national credit reporting agencies using the contact information listed above. Additional information is available at <http://www.annualcreditreport.com>.

Credit and Security Freezes: 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 on your credit file, 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 cause a delay should you attempt to obtain credit. In addition, you may incur fees for placing, lifting and/or removing 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 Security Freeze
P.O. Box 105788
Atlanta, GA 30348

Experian Security Freeze
P.O. Box 9554
Allen, TX 75013

TransUnion Security Freeze
Fraud Victim Assistance Department
P.O. Box 6790
Fullerton, CA 92834

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.

This notice has not been postponed at the request of a law enforcement agency; however, we did communicate with law enforcement prior to issuing this notice.

Iowa Residents: You may contact local law enforcement or the Iowa Attorney General's Office to report suspected incidents of identity theft. You can contact the Iowa Attorney General at:

Office of the Attorney General
1305 E. Walnut Street
Des Moines, IA 50319
(515) 281-5164
and on-line at <http://www.iowaattorneygeneral.gov/>.

Maryland Residents: Maryland residents can contact the Office of the Attorney General to obtain information about steps you can take to avoid identity theft at:

Office of the Attorney General
220 St. Paul Place
Baltimore, MD 21202
(888) 743-0023
www.oag.state.md.us

North Carolina Residents: North Carolina residents can obtain information about preventing identity theft from the North Carolina Attorney General's Office at:

North Carolina Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
(877) 566-7226
www.ncdoj.com

We value the trust you have placed in us to protect the privacy and security of your child's personal information, and we apologize for any inconvenience or concern that this incident might cause you or your child. We have established a confidential telephone inquiry line to assist you, as the parent or guardian, with any questions you or your child may have regarding this incident. This confidential inquiry line is available, at no cost to you, between 5:00 a.m. and 3:00 p.m., Pacific Time, Monday through Friday, at 1-844-416-6281.

Sincerely,



Constance E. Morrow

Managing Member, Conover Capital Management, LLC

Vice President/Secretary and Treasurer, Conover Securities Corporation

Activating Your Complimentary Family Secure Membership

To receive the complimentary Family Secure product, you as the parent must enroll at the website with your Activation Code listed below. This Activation Code can be used only by the parent or guardian of the minor. Please keep in mind that once it is activated, the code cannot be reused for another enrollment.

Activate Family Secure Now in Three Easy Steps

1. **ENSURE that you enroll by May 12, 2017.** (Your code will not work after this date.)
2. **VISIT the Family Secure Website to enroll:** <http://www.familysecure.com/enroll>.
3. **PROVIDE your Activation Code: «Credit_Monitoring».**

If you have questions or need an alternative to enrolling online, please call 1-877-288-8057 and provide engagement # **PC106293**.

Your complimentary two-year Family Secure membership includes the following:

Parent or Legal Guardian:

- Daily monitoring of your Experian credit report, with e-mail notification of key changes as well as monthly "no-hit" reports
- 24/7 credit report access to unlimited, on-demand Experian reports and scores
- Experian credit score illustrator to show monthly score trending and analysis

Children:

- Monthly monitoring to determine whether enrolled minors in your household have an Experian credit report
- Alerts of key changes to your children's Experian credit reports

All Members:

- Identity Theft Resolution assistance: Toll-free access to U.S.-based customer care and a dedicated Identity Theft Resolution Agent who will walk you through the process of fraud resolution from start to finish for seamless service and will investigate each incident; help you contact credit grantors to dispute charges and close accounts, including credit, debit and medical insurance cards; assist with freezing credit files; and contact government agencies.
- \$2,000,000 Product Guarantee*

Once your enrollment in Family Secure is complete, you should carefully review your and your child's credit report for inaccurate or suspicious items. If you have any questions about Family Secure, 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 1-877-288-8057.

*The Family Secure Product Guarantee is not available for individuals who are residents of the state of New York.

*Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of AIG. The description herein is a summary and is intended for informational purposes only, and it 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.

Additional Important Information

As a precautionary measure, we recommend that you remain vigilant to protect against potential fraud and/or identity theft by, among other things, reviewing your child's account statements and credit reports closely. If you detect any suspicious activity on an account, you should promptly notify the financial institution or company with which the account is maintained. You should also promptly report any fraudulent activity or any suspected incidents of identity theft to proper law enforcement authorities, including the police and your state's attorney general, as well as the Federal Trade Commission ("FTC").

You may wish to review the tips provided by the FTC on fraud alerts, security/credit freezes and steps you can take to avoid identity theft. For more information and to contact the FTC, please visit www.ftc.gov/idtheft or call 1-877-ID-THEFT (1-877-438-4338). You may also contact the FTC at Federal Trade Commission, 600 Pennsylvania Avenue, NW, Washington, DC 20580.

Credit Reports: You may obtain a free copy of your child's credit report once every 12 months from each of the three national credit reporting agencies by visiting <http://www.annualcreditreport.com>, by calling toll-free 1-877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348. You can print a copy of the request form at: <https://www.annualcreditreport.com/cra/requestformfinal.pdf>.

Alternatively, you may elect to purchase a copy of your child's credit report by contacting one of the three national credit reporting agencies. Contact information for the three national credit reporting agencies for the purpose of requesting a copy of your child's credit report or for general inquiries, including obtaining information about fraud alerts and placing a security freeze on your credit files, is as follows:

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Allen, TX 75013

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Fraud Alerts: You may want to consider placing a fraud alert on your child's credit report. An initial fraud alert is free and will stay on your child's credit file for at least 90 days. The alert informs creditors of possible fraudulent activity within your child's report and requests that creditors contact you prior to establishing any new accounts in your child's name. To place a fraud alert on your child's credit report, contact any of the three national credit reporting agencies using the contact information listed above. Additional information is available at <http://www.annualcreditreport.com>.

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Baltimore, MD 21202
(888) 743-0023
www.oag.state.md.us

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North Carolina Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
(877) 566-7226
www.ncdoj.com