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August 27, 2021

Office of the Attorney General
600 East Boulevard Avenue, Department 125
Bismarck, ND 58505-0040
Email: ndag@nd.gov

Dear Attorney General for the State of North Dakota:

I am writing as the attorney for Sears Hometown Stores, Inc. (“Sears Hometown” or the “Company”). I want to make you aware that my client has recently learned that its third party human resources service provider, Transform SR Holding Management LLC (a subsidiary of Transform Holdco LLC and together with all other of its subsidiaries, collectively referred to as “Transformco”) experienced a security incident which may have resulted in unauthorized access to certain information of current and former employees of Sears Hometown. Transformco discovered the security incident on June 24, 2021 and notified Sears Hometown on June 27, 2021, that files containing certain information of Sears Hometown’s current and former employees’ may have been accessed by the threat actor. Law enforcement has been notified.

Transformco began investigating the incident as soon as it discovered it and we have been cooperating with Transformco in its investigation. Transformco believes the unauthorized access to its computer services occurred between June 3, 2021 and June 15, 2021. They have determined that the information involved in this breach included information relating to employees and former employees, and may have included the following: social security numbers, financial account numbers and/or healthcare insurance information.

Sears Hometown sent written notification through first class mail to the thirteen (13) affected individuals who are residents of your State on August 24, 2021. In this notification, we attached the letter being sent to affected residents by Transformco on our behalf, which included: (1) background information about the breach, including the timeframe of the discovery of the breach; (2) the types of information that may have been compromised; (3) the steps that have been taken to address the breach and to prevent one from occurring again in the future; (4) information, including toll free telephone numbers, websites and mailing addresses of the three credit reporting agencies; (5) information, including the toll free telephone number, website and mailing address of the Federal Trade Commission; (6) information about ordering a free credit

Chicago Office:
200 West Madison, Ste. 3300
Chicago, IL 60606
T: 312-419-9090 F: 312-419-1930

Clayton Office:
8000 Maryland Ave., Ste. 1250
Clayton, MO 63105
T: 314-345-5450 F: 314-241-8624

Southern Illinois Office:
12 Wolf Creek Dr., Ste. 100
Belleville, IL 62226
T: 618-257-7308 F: 618-257-7353

St. Louis Office:
10 South Broadway, Ste. 2000
St. Louis, MO 63102
T: 314-241-9090 F: 314-241-8624

report; (7) information about requesting a security freeze and placing fraud alerts; (8) notice to remain vigilant in reviewing accounts and to report any suspected fraud to appropriate financial institutions; (9) a toll free telephone number for affected residents to contact Transformco with questions; and (10) if applicable, additional information unique to your State's data breach notification laws. Transformco is also offering free identity monitoring services through Kroll, Inc. for a period of 12 months for persons wishing to enroll. A copy of the notice is attached.

If you have any questions about this matter, you are welcome to contact me at 314-345-4782.

Yours very truly,

GREENSFELDER, HEMER & GALE, P.C.



By

Karen M. Johnson



Sears Hometown Stores, Inc.
Human Resources Department

3333 Beverly Road
Hoffman Estates, IL 60179
Phone: (224) 400-7749
Email: HRadministration@htstores.com

<<Date>> (Format: Month Day, Year)

<<first_name>> <<middle_name>> <<last_name>> <<suffix>>
<<address_1>>
<<address_2>>
<<city>>, <<state_province>> <<postal_code>>
<<country>>

Dear Current or Former Hometown Employee:

Last year, we engaged Transformco to assist us with certain human resources functions and in so doing, Transformco was provided access to certain information about our employees in order for it to provide this service. On July 27, 2021, Transformco notified us that certain data we provided to them may have been accessed by an unauthorized third party. We were upset to learn this and have been working to learn more about what occurred.

Enclosed is a letter from Transformco, that is being sent to you on our behalf, providing information about this data security incident, as well as information about the identity monitoring services offered by Transformco through a company named Kroll, at no cost to you.

If you have questions about this matter or if you need assistance with activating Kroll's services, we encourage you to call Transform's dedicated call center for this incident at 855-545-1937, Monday through Friday from 8:00 a.m. to 5:30 p.m. Central Time. If we can assist you in any way, please contact us at the following email address (HRadministration@htstores.com).

Sincerely,

Amy Walsh
Sears Hometown Stores, Inc.
DVP, Human Resources, Training & Communications

TRANSFORMCO

<<Date>> (Format: Month Day, Year)

<<first_name>> <<middle_name>> <<last_name>> <<suffix>>
<<address_1>>
<<address_2>>
<<city>>, <<state_province>> <<postal_code>>
<<country>>

Dear <<first_name>> <<middle_name>> <<last_name>> <<suffix>>,

Transformco understands the importance of protecting the privacy and security of the information we maintain. We are writing to inform you of a data security incident that may have involved some of your information. This notice explains the incident, measures we have taken, and some steps you can take in response.

WHAT HAPPENED?

We recently identified suspicious activity in our network. In response, we immediately secured the systems involved and commenced an investigation. The investigation determined that an unauthorized party accessed some of our computer servers between June 3, 2021 and June 15, 2021.

WHAT INFORMATION WAS INVOLVED?

On June 24, 2021, we determined that certain files on Transformco's computer network may have been accessed by the unauthorized party. Certain of the files contained Social Security numbers, financial account numbers, and/or healthcare insurance information about current and former Sears Hometown employees.

WHAT YOU CAN DO.

We encourage you to remain vigilant by regularly reviewing your credit reports, financial account statements, and statements you receive from healthcare providers for any unauthorized activity. If you see charges or activity you did not authorize, please contact the relevant provider immediately. We are also offering you a complimentary one-year membership to Kroll's identity monitoring services. Your identity monitoring services include Credit Monitoring, Fraud Consultation, and Identity Theft Restoration. For more information on Kroll Identity Monitoring, including instructions on how to activate your complimentary one-year membership, please visit the below website:

Visit <https://enroll.krollmonitoring.com> to activate and take advantage of your identity monitoring services.

You have until **November 18, 2021** to activate your identity monitoring services.

Membership Number: <<Membership Number s_n>>

WHAT WE ARE DOING.

To help prevent a similar incident from occurring in the future, we are implementing additional security measures to enhance the security of our network and continuing to provide training to our employees concerning phishing threats.

FOR MORE INFORMATION

If you have any questions, please call our dedicated call center at 1-855-545-1937, Monday through Friday from 8:00 am to 5:30 pm Central Time, excluding major US holidays.



TAKE ADVANTAGE OF YOUR IDENTITY MONITORING SERVICES

You have been provided with access to the following services¹ from Kroll:

Triple Bureau Credit Monitoring

You will receive alerts when there are changes to your credit data at any of the three national credit bureaus—for instance, when a new line of credit is applied for in your name. If you do not recognize the activity, you'll have the option to call a Kroll fraud specialist, who will be able to help you determine if it is an indicator of identity theft.

Fraud Consultation

You have unlimited access to consultation with a Kroll fraud specialist. Support includes showing you the most effective ways to protect your identity, explaining your rights and protections under the law, assistance with fraud alerts, and interpreting how personal information is accessed and used, including investigating suspicious activity that could be tied to an identity theft event.

Identity Theft Restoration

If you become a victim of identity theft, an experienced Kroll licensed investigator will work on your behalf to resolve related issues. You will have access to a dedicated investigator who understands your issues and can do most of the work for you. Your investigator will be able to dig deep to uncover the scope of the identity theft, and then work to resolve it.

ADDITIONAL STEPS YOU CAN TAKE

We remind you it is always advisable to be vigilant for incidents of fraud or identity theft by reviewing your account statements and free credit reports for any unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report, please visit www.annualcreditreport.com or call toll free at 1-877-322-8228. Contact information for the three nationwide credit reporting companies is as follows:

- *Equifax*, PO Box 740241, Atlanta, GA 30374, www.equifax.com, 1-800-685-1111
- *Experian*, PO Box 2002, Allen, TX 75013, www.experian.com, 1-888-397-3742
- *TransUnion*, PO Box 2000, Chester, PA 19016, www.transunion.com, 1-800-916-8800

If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your state. You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You should also contact your local law enforcement authorities and file a police report. Obtain a copy of the police report in case you are asked to provide copies to creditors to correct your records. Contact information for the Federal Trade Commission is as follows:

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

Fraud Alerts: There are two types of general fraud alerts 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 one year. 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.

To place a fraud alert on your credit reports, contact one of the nationwide credit bureaus. A fraud alert is free. The credit bureau you contact must tell the other two, and all three will place an alert on their versions of your report.

¹ Kroll's activation website is only compatible with the current version or one version earlier of Chrome, Firefox, Safari and Edge.

To receive credit services, you must be over the age of 18 and have established credit in the U.S., have a Social Security number in your name, and have a U.S. residential address associated with your credit file.

For those in the military who want to protect their credit while deployed, an Active Duty Military Fraud Alert lasts for one year and can be renewed for the length of your deployment. The credit bureaus will also take you off their marketing lists for pre-screened credit card offers for two years, unless you ask them not to.

Credit or Security Freezes: You have the right to put a credit freeze, also known as a security freeze, on your credit file, free of charge, which makes it more difficult for identity thieves to open new accounts in your name. That's because most creditors need to see your credit report before they approve a new account. If they can't see your report, they may not extend the credit.

How do I place a freeze on my credit reports? There is no fee to place or lift a security freeze. Unlike a fraud alert, you must separately place a security freeze on your credit file at each credit reporting company. For information and instructions to place a security freeze, contact each of the credit reporting agencies at the addresses below:

- **Experian Security Freeze**, PO Box 9554, Allen, TX 75013, www.experian.com
- **TransUnion Security Freeze**, PO Box 2000, Chester, PA 19016, www.transunion.com
- **Equifax Security Freeze**, PO Box 105788, Atlanta, GA 30348, www.equifax.com

You'll need to supply your name, address, date of birth, Social Security number and other personal information.

After receiving your freeze request, each credit bureau will provide you with a unique PIN (personal identification number) or password. Keep the PIN or password in a safe place. You will need it if you choose to lift the freeze.

How do I lift a freeze? A freeze remains in place until you ask the credit bureau to temporarily lift it or remove it altogether. If the request is made online or by phone, a credit bureau must lift a freeze within one hour. If the request is made by mail, then the bureau must lift the freeze no later than three business days after getting your request.

If you opt for a temporary lift because you are applying for credit or a job, and you can find out which credit bureau the business will contact for your file, you can save some time by lifting the freeze only at that particular credit bureau. Otherwise, you need to make the request with all three credit bureaus.

You can contact TransUnion via U.S. mail at 3333 Beverly Road, Hoffman Estates, IL 60179 or via telephone at (847) 286-2500.

Additional Information for Residents of the Following States

Maryland: You may contact and obtain information from your state attorney general at: Maryland Attorney General's Office, 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023 / 1-410-576-6300, www.oag.state.md.us

New York: You may contact and obtain information from these state agencies:

- New York Department of State Division of Consumer Protection, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231-0001, 518-474-8583 / 1-800-697-1220, <http://www.dos.ny.gov/consumerprotection>
- New York State Office of the Attorney General, The Capitol, Albany, NY 12224-0341, 1-800-771-7755, <https://ag.ny.gov>

North Carolina: You may contact and obtain information from your state attorney general at: North Carolina Attorney General's Office, 9001 Mail Service Centre, Raleigh, NC 27699, 1-919-716-6000 / 1-877-566-7226, www.ncdoj.gov

Rhode Island: This incident involves four individuals in Rhode Island. Under Rhode Island law, you have the right to file and obtain a copy of a police report. You also have the right to request a security freeze, as described above. You may contact and obtain information from your state attorney general at: Rhode Island Attorney General's Office, 150 South Main Street, Providence, RI 02903, 1-401-274-4400, www.riag.ri.gov

West Virginia: You have the right to ask that nationwide consumer reporting agencies place "fraud alerts" in your file to let potential creditors and others know that you may be a victim of identity theft, as described above. You also have a right to place a security freeze on your credit report, as described above.

A Summary of Your Rights Under the Fair Credit Reporting Act: The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Your major rights under

the FCRA are summarized below. For more information, including information about additional rights, go to www.consumerfinance.gov/learnmore or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

- You must be told if information in your file has been used against you.
- You have the right to know what is in your file.
- You have the right to ask for a credit score.
- You have the right to dispute incomplete or inaccurate information.
- Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.
- Consumer reporting agencies may not report outdated negative information.
- Access to your file is limited.
- You must give your consent for reports to be provided to employers.
- You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.
- You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.
- You may seek damages from violators.
- Identity theft victims and active-duty military personnel have additional rights.