



664 Cruiser Lane  
Belgrade, MT 59714

June 30, 2017

[Insert Recipient's Name]

[Insert Address]

[Insert City, State, Zip]

## **NOTICE OF DATA BREACH PLEASE REVIEW THIS ENTIRE NOTICE**

Dear [Recipient Name]:

We are writing to inform you about a data security incident that may have exposed some of your personal information. Xtant Medical ("Xtant") takes the privacy and security of your personal information very seriously. For this reason, we are contacting you directly to explain the circumstances of the incident.

### **What Happened?**

On June 2, 2017 we learned that an e-mail account belonging to one of our employees was compromised and accessed by an unknown third party on or about June 1, 2017. During our investigation into the compromise, we learned that the account held your W-9 Form and/or certain bank account information at the time it was accessed. As you may know, W-9 Forms contain sensitive information such as your Social Security number or other taxpayer ID number, as well as your name, address, and in some cases certain tax account information. While we have no evidence to suggest that your personal information has been stolen or misused, or will be in the future, due to the sensitive nature of the information involved, we are taking this matter very seriously and believe you should too.

### **What Information Was Involved?**

Bank account information and data that is customarily found on a Form W-9, including individual name, address, Social Security number or taxpayer ID number, and in some cases certain tax account information, were contained in the compromised account.

### **What We Are Doing.**

We are taking steps to help protect you and to safeguard the personal information we receive and maintain going forward. We have responded promptly to investigate and remediate this incident. We have notified the FBI of this incident and we will cooperate with law enforcement. In addition, we have arranged to provide identity theft protection services for you from Experian as described below.

## What You Can Do.

We are working with Experian® to provide you with credit monitoring and identity theft protection services for two years at no charge to you, as further described below. You must complete the enrollment process by **October 31, 2017**; after this date your code will not work. **We have pre-purchased credit monitoring for every impacted individual and strongly urge you to enroll in this product at our expense.**

### *Identity Restoration*

If you believe there was fraudulent use of your information as a result of this incident and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent. If, after discussing your situation with an agent, it is determined that identity restoration support is needed then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred from the date of the incident (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

Please note that this offer is available to you for two years from the date of this letter and does not require any action on your part at this time.

The Terms and Conditions for this offer are located at [www.ExperianIDWorks.com/restoration](http://www.ExperianIDWorks.com/restoration). You will also find self-help tips and information about identity protection at this site.

### *Experian IdentityWorks*

While Identity Restoration assistance is immediately available to you, we also encourage you to activate the fraud detection tools available through Experian IdentityWorks<sup>SM</sup> as a complimentary two-year membership. This product provides you with superior identity detection and resolution of identity theft. To start monitoring your personal information please follow the steps below:

- Ensure that you **enroll by: October 31, 2017** (Your code will not work after this date.)
- **Visit** the Experian IdentityWorks website to enroll: [www.experianidworks.com/3bcredit2](http://www.experianidworks.com/3bcredit2)
- Provide your **activation code**: [\[code\]](#)

If you have questions about the product, need assistance with identity restoration that arose as a result of this incident or would like an alternative to enrolling in Experian IdentityWorks online, please contact Experian's customer care team at 877-890-9332 by **October 31, 2017**. Be prepared to provide engagement number [XXXXXX] as proof of eligibility for the identity restoration services by Experian.

### **ADDITIONAL DETAILS REGARDING YOUR 24-MONTH EXPERIAN IDENTITYWORKS MEMBERSHIP:**

A credit card is **not** required for enrollment in Experian IdentityWorks.

You can contact Experian **immediately** regarding any fraud issues, and have access to the following features once you enroll in Experian IdentityWorks:

- **Experian credit report at signup:** See what information is associated with your credit file. Daily credit reports are available for online members only.\*
- **Credit Monitoring:** Actively monitors Experian, Equifax and Transunion files for indicators of fraud.
- **Identity Restoration:** Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **\$1 Million Identity Theft Insurance\*\*:** Provides coverage for certain costs and unauthorized electronic fund transfers.

**What you can do to protect your information:** There are additional actions you can consider taking to reduce the chances of identity theft or fraud on your account(s). Please refer to [www.ExperianIDWorks.com/restoration](http://www.ExperianIDWorks.com/restoration) for this information. Additional information regarding actions to help reduce your chances of identity theft is included with this letter.

### **For More Information.**

We sincerely apologize for this incident and regret any inconvenience it may cause you. Should you have questions or concerns regarding this matter, please do not hesitate to contact us at 937-847-8400 x2119.

Sincerely,

Debbie Kirschman Klopsch  
General Counsel

\* Offline members will be eligible to call for additional reports quarterly after enrolling.

\*\* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (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.

## **ADDITIONAL ACTIONS TO HELP REDUCE YOUR CHANCES OF IDENTITY THEFT**

### ➤ **PLACE A 90-DAY FRAUD ALERT ON YOUR CREDIT FILE**

An **initial 90 day fraud alert** indicates to anyone requesting your credit file that you suspect you are a victim of fraud or identity theft. When you or someone else attempts to open a credit account in your name, increase the credit limit on an existing account, or obtain a new card on an existing account, the lender should take steps to verify that you have authorized the request. If the creditor cannot verify this, the request should not be satisfied. You may contact one of the credit reporting companies below for assistance.

**Equifax**  
(888) 766-0008  
[www.equifax.com](http://www.equifax.com)

**Experian**  
(888) 397-3742  
[www.experian.com](http://www.experian.com)

**TransUnion**  
(888) 909-8872  
[www.transunion.com](http://www.transunion.com)

### ➤ **PLACE A SECURITY FREEZE ON YOUR CREDIT FILE**

If you are very concerned about becoming a victim of fraud or identity theft, a security freeze might be right for you. Placing a freeze on your credit report will prevent lenders and others from accessing your credit report in connection with a new credit application, which will prevent them from extending credit. A security freeze generally does not apply to circumstances in which you have an existing account relationship and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control or similar activities. With a security freeze in place, you will be required to take special steps when you wish to apply for any type of credit. Security freezes must be placed separately for each of the credit reporting companies, who may charge a fee to place, temporarily lift, or permanently remove a security freeze. Such fees may vary from state to state.

### ➤ **ORDER YOUR FREE ANNUAL CREDIT REPORTS**

Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call (877) 322-8228. Once you receive your credit reports, review them for discrepancies. Identify any accounts you did not open or inquiries from creditors that you did not authorize. Verify all information is correct. If you have questions or notice incorrect information, contact the credit reporting company.

### ➤ **MANAGE YOUR PERSONAL INFORMATION**

Take steps such as: carrying only essential documents with you; being aware of with whom you are sharing your personal information; and shredding receipts, statements, and other sensitive information.

### ➤ **USE TOOLS FROM CREDIT PROVIDERS**

We recommend you remain vigilant for instances of fraud and identity theft. Carefully review your credit reports and bank, credit card, and other account statements. Be proactive and create alerts on credit cards and bank accounts to notify you of activity. If you discover unauthorized or suspicious activity on your credit report or by any other means, file an identity theft report with your local police and contact a credit reporting company.

### ➤ **OBTAIN MORE INFORMATION ABOUT IDENTITY THEFT AND WAYS TO PROTECT YOURSELF**

You may obtain more information from the Federal Trade Commission (FTC) about steps you can take to avoid identity theft, including how to place a fraud alert or security freeze on your credit file. The FTC may be reached at:

**Federal Trade Commission**  
Consumer Response Center  
600 Pennsylvania Avenue NW  
Washington, DC 20580.  
ID Theft hotline: (877) IDTHEFT (438-4338)  
[www.ftc.gov](http://www.ftc.gov)  
[www.identitytheft.gov](http://www.identitytheft.gov)

To reduce the risk of tax-related fraud, you may contact the IRS Identity Protection Specialized Unit at (800) 908-4490 (Monday - Friday, 7 am - 7 pm local time); <https://www.irs.gov/uac/Newsroom/Tips-for-Taxpayers-Victims-about-Identity-Theft-and-Tax>Returns-2014>. You may also want to contact your state tax authority and tax advisors to notify them of a potential privacy breach and to protect against the possibility of a fraudulent tax return.

➤ **RESIDENTS OF IOWA**

Iowa residents are advised to report any suspected incidents of identity theft to the Attorney General or to local law enforcement. The Attorney General may be contacted at:

**Iowa Office of the Attorney General**  
Hoover State Office Building  
1305 E. Walnut Street  
Des Moines, IA 50319  
(888) 777-4590 (toll-free in Iowa)  
(515)-281-5926  
[consumer@iowa.gov](mailto:consumer@iowa.gov)  
[www.iowaattorneygeneral.gov](http://www.iowaattorneygeneral.gov)

➤ **RESIDENTS OF MARYLAND**

Maryland residents can obtain information from the Maryland Attorney General about steps they can take to avoid identity theft at:

**Maryland Office of the Attorney General**  
Consumer Protection Division  
200 St. Paul Place  
Baltimore, MD 21202  
(888) 743-0023 (toll-free in Maryland)  
(410) 576-6300  
[Consumer@oag.state.md.us](mailto:Consumer@oag.state.md.us)  
[www.oag.state.md.us](http://www.oag.state.md.us)

➤ **RESIDENTS OF NEW MEXICO**

You have rights under the federal Fair Credit Reporting Act (FCRA). These include, among others, the right to know what is in your files at consumer reporting agencies; to dispute incomplete or inaccurate information in your files at consumer reporting agencies; and to have consumer reporting agencies correct or delete inaccurate, incomplete, or unverifiable information in your credit file. For more information about the FCRA, please visit <https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf> or the FTC website at [www.ftc.gov](http://www.ftc.gov).

*In addition, New Mexico Consumers Have the Right to Obtain a Security Freeze or Submit a Declaration of Removal.*

You may obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You may submit a declaration of removal to remove information placed in your credit report as a result of being a victim of identity theft. You have a right to place a security freeze on your credit report or submit a declaration of removal pursuant to the Fair Credit Reporting and Identity Security Act.

The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your credit report, you will be provided with a personal identification number, password, or similar device to use if you choose to remove the freeze on your credit report or to temporarily authorize the release of your credit report to a specific party or parties or for a specific period of time after the freeze is in place. To remove the freeze or to provide authorization for the temporary release of your credit report, you must contact the consumer reporting agency and provide all of the following:

1. the unique personal identification number, password, or similar device provided by the consumer reporting agency;
2. proper identification to verify your identity;
3. information regarding the third party or parties who are to receive the credit report or the period of time for which the credit report may be released to users of the credit report; and
4. payment of a fee, if applicable.

A consumer reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report shall comply with the request no later than three business days after receiving the request. As of September 1, 2008, a consumer reporting agency shall comply with the request within fifteen minutes of receiving the request by a secure electronic method or by telephone.

A security freeze does not apply in all circumstances, such as where you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents for certain types of account review, collection, fraud control, or similar activities; for use in setting or adjusting an insurance rate or claim or insurance underwriting; for certain governmental purposes; and for purposes of prescreening as defined in the federal Fair Credit Reporting Act.

If you are actively seeking a new credit, loan, utility, telephone, or insurance account, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around or specifically for a certain creditor, with enough advance notice before you apply for new credit for the lifting to take effect. You should contact a consumer reporting agency and request it to lift the freeze at least three business days before applying. As of September 1, 2008, if you contact a consumer reporting agency by a secure electronic method or by telephone, the consumer reporting agency should lift the freeze within fifteen minutes. You have a right to bring a civil action against a consumer reporting agency that violates your rights under the Fair Credit Reporting and Identity Security Act.

#### ➤ **RESIDENTS OF OREGON**

Oregon residents are advised to report any suspected incidents of identity theft to law enforcement, including the Oregon Attorney General and the Federal Trade Commission. The Oregon Attorney General may be contacted at:

**Oregon Department of Justice**

1162 Court Street NE

Salem, OR 97301

[www.doj.state.or.us](http://www.doj.state.or.us)

**Oregon Consumer Protection Hotlines**

Salem: (503) 378-4320

Portland: (503) 229-5576

Toll-Free: (877) 877-9392

[help@oregonconsumer.gov](mailto:help@oregonconsumer.gov)