

TOTH ENTERPRISES II Individual Breach Notification Form

RE: NOTICE OF BREACH OF PROTECTED HEALTH INFORMATION

Dear Patient,

Toth Enterprises II, d/b/a Victory Medical ("Victory Medical") recently discovered that some of your personal information was improperly used and disclosed in violation of the policies we have in place to protect you and your privacy pursuant to federal HIPAA requirements and Texas law. We are providing you with this Notice of Breach to (1) make you aware of what happened and what information was disclosed; (2) explain what we have done in response; (3) suggest how you should respond to this breach; and (4) provide you with information on how to contact us and learn more.

We assure you that this breach was not known to Victory Medical until very recently, and that it has taken immediate steps to address it. The privacy of your records is our concern, and we will not tolerate any actions that undermine your reasonable expectations of privacy. We regret that this breach happened, but assure you that your expectations of privacy remain paramount.

1. Description of Breach:

An unidentified person uploaded a paper-based report onto Github.com, a third party website, without the knowledge or authorization of Victory Medical, and in noncompliance with Victory Medical's policies and procedures. The report was originally generated from Victory Medical's secure patient record system as a routine data set in furtherance of Victory Medical's operations. Victory Medical was completely unaware that the report had been uploaded. We believe that an employee or other person authorized to generate and view the report surreptitiously uploaded it to Github.com without permission. Essentially, based on our investigation, a lone "bad actor" violated our policies and the law for his or her own personal reasons.

2. Date of Breach: Unknown. Believed to have been on or after June 10, 2013.

3. Date of Breach Discovery: April 5, 2017

4. Types of PHI disclosed (i.e. name, social security number, date of birth, etc.):

The following data fields were disclosed:

- Name
- Date of Birth
- Address
- Phone Number
- Email Address
- Medical Account Number (assigned by and unique to Victory Medical)
- Preferred Language
- Race
- Ethnicity

5. Steps you should take to protect yourself:

The data elements disclosed were demographic in nature and generally available via routine web and directory searches. They did not include sensitive information that could be easily used to create unauthorized accounts or otherwise impair you or your privacy. Therefore, we believe the risk to you of any improper use is low. Nevertheless, we recommend that you carefully review your bank and credit card statements for irregularities.

6. Steps we are taking to investigate the breach, mitigate the losses, and to protect against further breaches:

Victory Medical was alerted to the breach by a call from a patient who happened to be on Github.com. This call was received on April 5, 2017. That day, we began investigating the report. We immediately retained outside counsel to guide our investigation, review our privacy practices and policies, and to advise on next steps. As part of our investigation, we interviewed all people within our organization who were employed at or around the time of the suspected breach. We also worked with Github to have the leaked report removed from its website. The report was removed within five (5) days of Victory Medical's first knowledge of the breach. We continue to

review our privacy policies and procedures, as well as our security procedures, to identify weaknesses that could have led to this breach. To date, it appears that an individual engaged in unauthorized conduct. We have not identified any systemic weaknesses that could have led to this unauthorized disclosure. We are reviewing measures to improve the physical security standards of our business offices and will implement all feasible changes to avoid future events similar to this one.

7. If you have further questions regarding this breach you may contact:

TOTH ENTERPRISES II

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Victory Medical would like to emphasize that it is sorry this event occurred. Again, your privacy is our concern. Rest assured – we are very concerned. Please do not hesitate to contact us with your questions or comments.

Very truly yours,

Dr. William Franklin