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August 8, 2013

Our File No.: 382755-000001

VIA OVERNIGHT CARRIER

NH Department of Justice
33 Capitol Street
Concord, NH 03301

Re: Notification of Potential Health Information Breach, Pursuant to N.H. Rev. Stat. § 359-C:19

Dear Sir or Madam:

Pursuant to N.H. Rev. Stat. § 359-C:19, I am writing on behalf of Foundations Recovery Network (the "Company"), which owns and operates licensed adult residential alcohol/drug abuse/recovery treatment facilities in California and Tennessee, to notify you of a recent incident that may have resulted in unauthorized access of personal information involving New Hampshire residents.

An FRN employee informed us on Saturday, June 15, 2013, that she had been the victim of a theft during the early morning hours that day and that her company laptop had been stolen. We do not believe the thief specifically targeted the employee, the laptop, or the patient information contained on it. In fact, we understand that the theft was one of at least 10 break-ins that occurred in our employee's neighborhood that night. In the course of an in-depth forensic analysis by outside experts, we were advised that the laptop may have contained personal information regarding 4 patients who reside in New Hampshire.

To date, two of the three thieves have been arrested in connection with the robberies. In addition, our investigation has revealed that the thieves were relatively unsophisticated, and likely unable to access the information, which was password protected. Specifically, the laptop was protected by a unique windows username that is last name, first initial and a complex password. The password complexity rules require a combination of capital letters, lowercase letters, numbers and special characters that is at least 8 characters or longer. We have not received any notice to date that the thieves used or disclosed any of the information contained on the laptop. However, we are notifying you and the patients in an abundance of caution, given that it is theoretically possible someone could break through the protections and access the information. Such information may include names, dates of birth, addresses, telephone numbers, social security numbers, and medical information, such as diagnosis – the majority of which were listed in numeric medical code only - level of care, date(s) of service, and health insurance identifiers.

The day of the theft, FRN immediately disabled the laptop's access to our systems, changed the affected passwords. Thereafter, instituted a policy to ensure that laptops were not removed from our highly secured premises. We also hired experts to implement enhancements to our security systems, provided supplemental privacy training to workforce members, devoted substantial operational resources to addressing this incident, and are continuing to refine our processes and procedures.



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The Company is in the process of notifying all affected individuals and anticipates notifying New Hampshire residents on August 9, 2013. The Company has also, out of an abundance of caution, contracted with Experian to provide affected individuals with a free one year membership in Experian's® ProtectMyID® Alert, a national subscription credit monitoring service that provides individuals with access to their credit report and daily monitoring of their credit file from the three national credit reporting agencies.

Please be assured that we will keep you informed of any developments in the investigation that may be of importance to you. If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

DLA Piper LLP (US)

A handwritten signature in black ink, appearing to read 'M. Scott Koller', with a long horizontal flourish extending to the right.

M. Scott Koller

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