



January 17, 2021

Hunter O. Ferguson
600 University Street, Suite 3600
Seattle, WA 98101
D. 206.386.7514
hunter.ferguson@stoel.com

Via Online Notification Portal

(<https://appengine.egov.com/apps/me/maine/ag/reportingform>)

Office of the Maine Attorney General
6 State House Station
August, ME 04333

Re: Notice of Data Breach – McMenamins, Inc.

Dear Members of the Attorney General's Office:

We are counsel to McMenamins, Inc. ("**McMenamins**") in connection with a recent data security incident and write to notify you of this incident and McMenamins' response. Enclosed is a sample copy of the notification letter sent to potentially affected individuals.

McMenamins is a family-owned business that owns and operates a collection of restaurants, brew pubs, hotels, and entertainment venues throughout Oregon and Washington. Currently there are 62 McMenamins locations (52 in Oregon and 10 in Washington).

Nature of the Incident. On December 12, 2021, McMenamins suffered a ransomware attack. After discovering the attack that morning, McMenamins blocked access to its computer systems and contained the attack later that same day. McMenamins promptly began working with an experienced cybersecurity forensics firm to investigate the incident and determine whether any personal information was affected. Based on McMenamins' investigation, it appears that threat actors obtained unauthorized access to McMenamins' systems as early as December 7 and then deployed an encryption malware payload. These actors either accessed or acquired without authorization records containing personal information of: (1) employees as of December 12, 2021; (2) investors; (3) persons previously employed by McMenamins within the July 1, 2010 – December 11, 2021 time period; and (4) at least some persons employed by McMenamins within the January 1, 1998 – June 30, 2010 time period.

Type of Information and Number of Individuals Affected. With respect to both current and previous employees, the records affected include human resources and payroll-related files containing the following categories of personal information: name, address, telephone number, email address, date of birth, race, ethnicity, gender, disability status, medical

notes, performance and disciplinary notes, Social Security number, health insurance plan election, income amount, and retirement contribution amounts. It is possible that files containing direct-deposit bank account information were accessed, but McMenamins does have any indication that such files were, in fact, accessed or acquired.

As to company investors, the following categories of personal information were affected: name, mailing address, email address, and Social Security or Taxpayer Identification number.

On December 15, 2021, McMenamins issued notices of the incident to investors via email, to current employees via email and signs at company locations, and to news media in Oregon and Washington. McMenamins also established a call center to answer questions from potentially affected individuals. Between December 21 and 30, 2021, McMenamins mailed via first-class U.S. mail notices to individuals employed between July 1, 2010 and December 12, 2021, and investors. These notices were mailed to a total of 20,504 known individuals. Of these individuals, the following 10 persons had Maine addresses. A sample copy of the notification letter is included in this correspondence.

As noted above, McMenamins' investigation also revealed that the threat actors likely acquired at least some records with personal information of individuals employed between January 1, 1998 and June 30, 2010. Although McMenamins has been able to determine the categories of personal information included in these records as listed above, it has not been able to recover the records themselves or identify the names or contact information of the previous employees actually included in these records. Out of an abundance of caution and for the purposes of providing notice and identity and credit protection and monitoring, McMenamins is assuming that all previous employees during that time period were potentially affected and conservatively estimates that this total does not exceed 20,000. Accordingly, McMenamins also provided substitute notice through its website (mcmenamins.com) and further notification to major statewide media in Washington and Oregon.

Additional Measures Taken in Response to Incident. After discovering the incident on December 12, 2021, McMenamins took the actions referenced above. It also promptly engaged an experienced cybersecurity forensics firm and has been working to investigate the source and scope of the attack, restore its business systems, and enhance its security. McMenamins reported the incident to the Federal Bureau of Investigation ("**FBI**") and has been cooperating with the FBI's investigative efforts. McMenamins is providing all of the affected individuals referenced above with identity and credit monitoring and protection services through Experian. Information about these services is included in the mailed notices and substitute notice on McMenamins' website as well as the media notices. McMenamins also notified the three major credit reporting bureaus.

Contact Information. McMenamins remains dedicated to protecting personal information in its control. If you have any questions or need additional information, please contact me at 206.386.7514 or hunter.ferguson@stoel.com.

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Very truly yours,

A handwritten signature in blue ink that reads "Hunter O. Ferguson". The signature is written in a cursive style with a large, stylized "H" and "F".

Hunter O. Ferguson

Enclosure: Sample Notification Letter