



ALTIUS
Financial

Empowered Future Report

Short term thoughts about long term matters

September 11, 2017 - Special Edition of Empowered Future Report

Equifax Credit Breach and What Can You Do

I'm traveling from seeing some clients in NM and AZ but thought this was important enough to send out some initial thoughts. Equifax Inc., one of America's three major credit bureaus, revealed last week that its website had been breached and that the names, Social Security numbers, birthdates, addresses and driver's license numbers of 143 million Americans may have been comprised. That's more than half the U.S. population, including maybe me and you – I checked the site they've set up to determine if one has been affected and it came back with yes, though I've not found any problems with my accounts so far.

In the last three years, we've seen major data breaches at the IRS, the Office of Personnel Management, Anthem and JP Morgan Chase. This one with Equifax is perhaps largest yet. Unfortunately, with all the incredible conveniences and productivity enhancement the world of technology brings, it does come with a price and I believe occasional data security breaches are now a fact of life.

One of my biggest concerns in this case is that Equifax waited nearly six weeks after identification of the hack to release details and, potentially worse from an ethical standpoint, three high level staff, including the CFO, sold large blocks of stock in the intervening period. The company has said the executives did not know of the breach at the time of stock sales – I'm not quite buying that but I don't know enough to make a judgement at this point. (Many of you know that I have a unique philosophical position on the issue of insider trading. While the issue is complex and I won't go into details here - ask if you're interested - I will say that if it's true that Equifax execs knew of this and traded for personal gain, I believe they should be prosecuted for fraud and held personally liable).

Putting this into perspective, over ½ of consumers who have a credit record would seem to have had their information exposed in this breach alone, so if you gain comfort from not being alone, you're in good company. With that large of a breach, it actually might help us since that's a lot of credit records and so the odds of any one person's

information being used could be lower. In any case, these data breaches do represent some risk to us. So what can we do?

1. Equifax is offering a suite of free credit monitoring services and identity theft insurance for ALL consumers, regardless of whether their information was compromised. To find out if your personal information was compromised, and to enroll regardless of whether it was or wasn't, you can visit the www.equifaxsecurity2017.com site. You will need to enter your last name and the last six digits of your SSN to do so (which while understandably required also seems weird, at least when I did it). There was some concern that by enrolling in the service, consumers would be waiving their right to participate in any resulting class action law suits related to this matter. However, the company now states on their website that the arbitration and class action waiver clauses of the service have been waived for anyone enrolling through the site.

2. Monitor and review your credit reports more frequently, although this function should be included in the suite provided through Equifax's service offering. However, if you would like to review separately, Experian and Equifax both offer credit report access on their sites and all three major bureaus (Experian, Equifax, and TransUnion) offer free credit reports through the federally mandated www.annualcreditreport.com site. Each bureau is required to provide one free report per year through this site, and so it may make sense to visit every four months, rotating which report you review.

3. If you would like to fully lock down access to your credit report, and require manual intervention on your part before anyone can access your credit record, you may do so by visiting each of the bureau's freeze sites listed below. I'm not sure about the consequences of doing this in terms of convenience but am investigating it myself.

<https://freeze.transunion.com>

<https://www.freeze.equifax.com>

<https://www.experian.com/freeze/center.html#content-01>

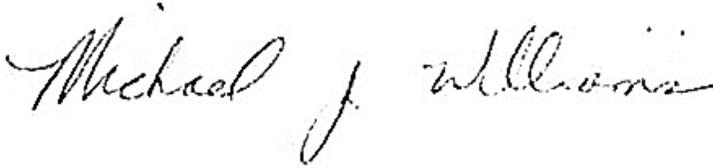
*Note that Equifax's record can also be frozen through their TrustedID Premier service being offered for free as part of the breach recovery effort, and TransUnion's record may also be frozen through their free TrueIdentity service.

4. File your taxes early, if you can. One of the major targets of identity theft is filing fraudulent tax returns seeking a refund that should go to the legal filer. By filing early, you block out any possibility of a fraudulent return being accepted.

5. Pay increased attention to your bank and other account statements for any unauthorized activity.
6. Finally, don't fall prey to any of the inevitable email phishing scam attempts that will soon follow.

I understand this is all an annoyance - or so much more so for those who've dealt with some form of identity theft. I don't believe there is reason to panic, but I do think it may be worth enrolling in the Equifax TrustedID Premier service for the added protection it could offer, assuming you believe that Equifax themselves will be much more diligent given this fiasco, both from a PR standpoint as well as business impact. If your level of concern is particularly high, and it will help you sleep at night, it may be worth the extra effort of placing a freeze on your credit record at the three bureaus for the extra peace of mind.

As always, please let us know if you have any questions or if there is anything we can do for you.



Michael J. Williams, CFP

ALTIUS Financial, Inc.

michael@altiusfinancial.com

303-584-9271

www.altiusfinancial.com

* The views expressed represent the opinion of ALTIUS Financial, Inc. The views are subject to change and are not intended as a forecast or guarantee of future results. This material is for informational purposes only. It does not constitute investment advice and is not intended as an endorsement of any specific investment. Stated information is derived from proprietary and nonproprietary sources that have not been independently verified for accuracy or completeness. While ALTIUS Financial, Inc. believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and the ALTIUS Financial, Inc.'s view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based on assumptions that may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements. Past performance is not indicative of future results.