



Capital Forensics, Inc.

1530 E. Dundee Road, Suite 333 | Palatine, IL 60074 | T 888-970-1700 | P 847-392-0900

November 20, 2018

To Our Clients and Business Partners,

On November 1, certain data hosted for Capital Forensics on a secure third-party platform was the target of a cybersecurity attack by an external, unknown source that exposed confidential data involving a small number of our clients. This breach was discovered and limited to just under four hours, and was mitigated within six hours of occurrence. All affected clients were notified promptly as we uncovered information, and we are working closely with those that request our assistance to remediate this matter. We are also working with law enforcement and a leading forensics firm to investigate the incident.

We have purposely been discrete in our public disclosure regarding this matter. Notably, we have not publicly disclosed the names of any firms affected by this breach, because we respect client confidentiality, and their right to communicate with their stakeholders. Although we are helping to support their efforts, if, how, and when those affected firms communicate about this incident internally and externally is their decision, not ours. We also need to ensure that any information that we do provide is accurate.

As might be expected, a few industry publications have used this incident to promote the personal agendas of individuals who are quoted in that coverage, and to call CFI to task for lack of transparency. Rather than engage in a public dialogue that will likely fuel additional incorrect and biased reporting, we will continue to release only information that we know to be accurate, and in a manner that protects our clients. We believe our 25-year track record serves as validation that CFI has nothing to hide, and is doing its best to address a complex and difficult situation.

We are understandably upset that this breach has caused disruption and concern for any of our clients and business partners. We take no comfort in knowing that CFI is one of a rapidly growing number of companies – of all sizes, across all industries – that have been victimized by cyber criminals. These individuals represent a sophisticated and relentless threat to business, on a global scale.

No firm can promise that they will never be victimized by cybercrime. We can pledge to you, however, that we are working, and will continue to work, to minimize the risks from an attack in the future.

If you have any questions or concerns, please contact me personally. I welcome the opportunity to speak with clients and business partners who have a vested interest in this matter.

Vadim Khavinson
Chairman and CEO