



[Date]

Dear [First Name/Customer Name],

We are writing to notify you of a data incident that may have involved your personal information. ConnectPay provides payroll and tax services for small businesses and produces W2's and 1099's for our client's employees.

Due to an **internal issue with our code**, certain sensitive data affiliated with **1099NEC** pay information was **available to be incorrectly exposed** from the **morning of February 2, 2026, until the morning of February 6, 2026. No malicious actors were involved, and our system was not breached**—the issue was caused internally. Instead of an individual's 1099 only visible to them, they could potentially see 2 other individuals 1099's from the same company.

When the issue was uncovered the evening of February 5, 2026, all 1099NECs were copied to our system for recollection and were removed from any client/employee views. We also confirmed that your data was included in the compromised records, and the information involved included your name, Social Security number and address.

To address this, we removed access **on February 6, 2026**, to ensure client and payee data safety. In addition, a **permanent change to the code was released on February 11, 2026**, to prevent this type of internal incident from being possible going forward.

While we are not aware of any misuse of your information currently, we recommend that you take the following precautionary steps to help protect yourself: **Review your financial accounts and credit reports** for any unusual or unauthorized activity. **Consider placing a fraud alert or credit freeze** with the major credit bureaus to add an extra layer of protection. **Report any suspicious activity immediately** to your financial institution or the appropriate service provider.



Because Social Security numbers were involved, we are offering affected Massachusetts residents complimentary credit monitoring and identity theft protection services for 18 months at no cost.

This notice serves as certification that these services are being provided in compliance with applicable Massachusetts data breach notification requirements. Please contact our office if you wish to engage with credit monitoring.

You may contact the Massachusetts Attorney General's Office or other consumer protection agencies for additional information about identity theft prevention and consumer rights under Massachusetts law. These agencies can provide guidance on steps you may take to protect yourself from identity theft and fraud.

We sincerely regret this incident and take protection of your information seriously. If you have questions, please contact us at, [Drew@ConnectPayUSA.com](mailto:Drew@ConnectPayUSA.com) or 617-360-1352, referencing "**February 1099 Data Incident**".

Sincerely,

Drew Schildwachter  
Chief Operating Officer  
Connectpay LLC  
617-360-1352  
[Drew@ConnectPayUSA.com](mailto:Drew@ConnectPayUSA.com)