



15922

2500 Wilcrest Dr
Suite 620
Houston, TX 77042

877 876 6398
nextfinancial.com

John T. Unger
General Counsel

Direct: 713-333-4881
Facsimile: 713-980-2432
junger@nextfinancial.com

October 22, 2019

Customer Name
Customer Address
City, State, Zip

Dear Client:

NEXT Financial Group, Inc. ("NEXT") and Mosaic Financial Associates ("Mosaic") value your business and respect the privacy of your information, which is why, as a precautionary measure, we are writing to inform you of an incident involving certain personal information in the possession of NEXT and Mosaic.

What Happened? On September 24, 2019, a laptop computer belonging to a staff person at Mosaic was stolen in the burglary of their office. A police report was filed and we immediately began an investigation and review to determine what information may have been stored on the laptop. As a result of the internal investigation, a determination was made that certain personal information may have been on the stolen laptop.

What information was involved? The information on the laptop included summaries containing client names, account names, account numbers, and account balances for some insurance policies and brokerage and financial advisory accounts. The information did not include dates of birth, Social Security numbers, or driver's license information.

What we are doing. NEXT and Mosaic value your privacy and deeply regret that this incident occurred. While we have no information to indicate that your information has been or will be misused, we believe it is important that you be informed of this incident so you can take action along with our efforts to minimize or eliminate potential harm.

What you can do. Although we have no reports of misuse of anyone's information, we encourage you to take preventive measures now to help prevent and detect any misuse of your information.

As a first preventive step, we recommend you closely monitor your financial accounts and, if you see any unauthorized or suspicious activity, promptly contact the financial institution or company with which the account is maintained. You also should promptly report any fraudulent activity or any suspected incidence of identity theft to proper law enforcement authorities, your state attorney general, and/or the Federal Trade Commission (FTC).

To file a complaint with the Federal Trade Commission call 1-877-ID-THEFT (1-877-438-4338) or go to <https://www.ftccomplaintassistant.gov/>.

As a second step, you also may want to contact the three U.S. credit reporting agencies (Equifax, Experian, and TransUnion) to obtain a free credit report. You may obtain a free copy of your credit report from each of the three major credit reporting agencies once every 12 months by visiting <http://www.annualcreditreport.com>, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348. You can print a copy of the request form at <https://www.annualcreditreport.com/manualRequestForm>.

October 22, 2019

Page 2

Even if you do not find any suspicious activity on your initial credit reports, the FTC recommends that you check your credit reports periodically. A victim's personal information is sometimes held for use or shared among a group of thieves at different times. Checking your credit reports periodically can help you spot problems and address them quickly.

We also recommend that you review the addendum for additional steps you can take to protect your information.

We have also advised the mutual funds and custodians where client assets are held of the incident and you may receive a letter similar to this letter from one or more of them.

We regret this incident and any inconvenience it may cause. If you have further questions or concerns, you may contact me at 713-333-4881 or email at john.unger@nextfinancial.com.

Sincerely,

A handwritten signature in black ink that reads "John T. Unger". The signature is written in a cursive, slightly slanted style.

John T. Unger

cc: Marcus Ortega
Anthony Williams

ADDITIONAL INFORMATION

Contact information for the three nationwide credit reporting companies is as follows:

Equifax, P.O. Box 105788, Atlanta, Georgia 30348, 1-877-478-7625, www.equifax.com

Experian, P.O. Box 2002, Allen, TX 75013, 1-888-397-3742, www.experian.com

TransUnion, P.O. Box 2000, Chester, PA 19016, 1-800-680-7289, www.transtunion.com

The following information reflects recommendations from the Federal Trade Commission regarding identity theft protection.

Free Credit Report. It is always a good practice to be vigilant for incidents of fraud or identity theft by reviewing your account statements and free credit reports for any unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report, please visit www.annualcreditreport.com or call toll free at 1-877-322-8228. You can also order your annual free credit report by mailing a completed Annual Credit Report Request Form (available from the U.S. Federal Trade Commission's ("FTC") website at www.consumer.ftc.gov) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, Georgia 30348-5281.

For Colorado, Georgia, Maine, Maryland, Massachusetts, New Jersey, Puerto Rico, and Vermont Residents: You may obtain one or more additional copies of your credit report, free of charge. You must contact each of the credit reporting agencies directly to obtain such additional report(s).

Fraud Alert. You may place a fraud alert on your credit file by calling one of the three nationwide credit reporting agencies above. A fraud alert tells creditors to follow certain procedures, including contacting you before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit. Pursuant to federal and state laws, you may place a fraud alert on your credit file free of charge.

For Colorado and Illinois Residents. You may obtain additional information from the credit reporting agencies and the FTC about fraud alerts.

Security Freeze. You have the right to put a security freeze on your credit file, so that no new credit can be opened in your name without the use of a PIN that is issued to you when you initiate a freeze. If you place a security freeze on your credit file, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a security freeze may delay your ability to obtain credit. *Unlike a fraud alert, you must separately place a security freeze on your credit file at each credit reporting agency.* Federal and state laws prohibit charges for placing, temporarily lifting, or removing a security freeze.

The following information must be included when requesting a security freeze (note that if you are requesting a security freeze for your spouse, this information must be provided for your spouse as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five (5) years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue.

Federal Trade Commission and State Attorneys General Offices. If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your home state. You may also contact these agencies for information on how to prevent or avoid identity theft. You may contact the Federal Trade Commission, Consumer Response Center, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580, www.ftc.gov/bcp/edu/microsites/idtheft, 1-877-IDTHEFT (438-4338).

For Maryland Residents: You may contact the Maryland Office of the Attorney General, Consumer Protection Division, 200 St. Paul Place, Baltimore, MD 21202, www.oag.state.md.us, 1-888-743-0023

For North Carolina Residents: You may contact the North Carolina Office of the Attorney General, Consumer Protection Division, 90001 Mail. Service Center, Raleigh, NC 27699-9001, www.ncdoj.gov, 1-877-566-7226

For Rhode Island Residents: You may contact the Rhode Island Office of the Attorney General, 150 South Main Street, Providence, RI 02903, www.riag.ri.gov, 1-401-274-4400

Reporting of identity theft and obtaining a police report. You have the right to obtain any police report filed in the United States in regard to this incident. If you are the victim of fraud or identity theft, you also have the right to file a police report.

For Iowa Residents: You are advised to report any suspected identity theft to law enforcement or to the Iowa Attorney General.

For Massachusetts Residents: You have the right to obtain a police report if you are a victim of identity theft. You also have the right to file a police report and obtain a copy of it.

For Oregon Residents: You are advised to report any suspected identity theft to law enforcement, the Federal Trade Commission, and the Oregon Attorney General.

For Rhode Island Residents: You have the right to file or obtain a police report regarding this incident.