



NEWS RELEASE

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AG JASON RAVNSBORG JOINS \$1.5M SETTLEMENT WITH RETAILER NEIMAN MARCUS OVER 2013 DATA BREACH

PIERRE, S.D. - The Neiman Marcus Group LLC has agreed to pay \$1.5 million and implement a number of policies to resolve an investigation with 43 states and the District of Columbia into the 2013 breach of customer payment card data at 77 Neiman Marcus stores in the United States, Attorney General Jason Ravensborg said today.

In January 2014, Neiman Marcus disclosed that payment card data collected at certain retail stores had been compromised by an unknown third party. The states' investigation determined that approximately 370,000 payment cards – 64 of which were associated with South Dakota consumers – were compromised in the breach, which took place over the course of several months in 2013. At least 9,200 of the payment cards compromised in the breach were used fraudulently.

“The people of South Dakota work too hard to have their money taken from them,” stated Ravensborg, “I am excited that the protections to be implemented under this settlement will assist in keeping South Dakotans safe going forward.”

South Dakota’s share of the settlement funds is \$15,523.66.

In addition to the monetary settlement, Neiman Marcus has agreed to a number of injunctive provisions aimed at preventing similar breaches in the future, including:

- Complying with Payment Card Industry Data Security Standard (PCI DSS) requirements;
- Maintaining an appropriate system to collect and monitor its network activity, and ensuring logs are regularly reviewed and monitored;
- Maintaining working agreements with two, separate, qualified Payment Card Industry forensic investigators;
- Updating all software associated with maintaining and safeguarding personal information, and creating written plans for replacement or maintenance of software that is reaching its end-of-life or end-of-support date;
- Implementing appropriate steps to review industry-accepted payment security technologies relevant to the company's business; and

- Devaluing payment card information, using technologies like encryption and tokenization, to obfuscate payment card data.

Under the settlement, Neiman Marcus is also required to retain a third-party professional to conduct an information security assessment and report, and to detail any corrective actions that the company may have taken or plans to take as a result of the third-party report.

If you are a consumer and have any questions regarding the settlement please contact the Attorney General's Office of Consumer Protection by calling 1-800-300-1986 or you can email to consumerhelp@state.sd.us

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