



**PERSONAL INFORMATION PROTECTION ACT**  
**Breach Notification Decision**

<b>Organization providing notice under section 34.1 of PIPA</b>	<p>La Jolla Sport USA (O'Neill), MM Compound, Inc. (Metal Mulisha) and FMF Apparel, Inc. (FMF) (the Organizations)</p> <p>La Jolla Group, Inc. manages the e-commerce websites for the Organizations, and confirmed it was authorized to report this incident under s. 34.1 of PIPA on behalf of all three companies.</p>
<b>Decision number (file number)</b>	P2015-ND-68 (File #000057)
<b>Date notice received by OIPC</b>	January 5, 2015
<b>Date Organization last provided information</b>	March 30, 2015
<b>Date of decision</b>	November 2, 2015
<b>Summary of decision</b>	<p>There is a real risk of significant harm to the individuals affected by this incident. The Organizations are required to notify those individuals pursuant to section 37.1 of the <i>Personal Information Protection Act</i> (PIPA).</p>
<b>JURISDICTION</b>	
<b>Section 1(1)(i) of PIPA “organization”</b>	<p>The Organizations are incorporated in the United States and qualify as “organizations” as defined in section 1(1)(i)(i) of PIPA.</p>
<b>Section 1(1)(k) of PIPA “personal information”</b>	<p>The following information was involved in this incident:</p> <ul style="list-style-type: none"><li>• name,</li><li>• address,</li><li>• telephone number,</li><li>• email address,</li><li>• credit card number,</li><li>• CVV2 data,</li><li>• credit card expiry date.</li></ul> <p>This information is about identifiable individuals and qualifies as “personal information” as defined in section 1(1)(k) of PIPA. The information was collected in Alberta.</p>

<b>DESCRIPTION OF INCIDENT</b>	
<input type="checkbox"/> loss <input checked="" type="checkbox"/> unauthorized access <input type="checkbox"/> unauthorized disclosure	
<b>Description of incident</b>	<ul style="list-style-type: none"> <li>• On December 3, 2014, La Jolla Group, Inc. learned of a potential unauthorized access to the checkout page of the Organizations’ websites.</li> <li>• La Jolla Group, Inc. conducted an investigation and retained independent computer forensic experts. On December 29, 2014, the investigation confirmed that a malicious script was placed on its system which compromised the security of personal information provided by customers who made purchases between November 30 and December 3, 2014.</li> </ul>
<b>Affected individuals</b>	Fifty-two (52) residents of Alberta were affected by the incident.
<b>Steps taken to reduce risk of harm to individuals</b>	<ul style="list-style-type: none"> <li>• Upon discovery, the vulnerability was remediated and the malicious script was removed from La Jolla Group, Inc.’s systems.</li> <li>• La Jolla Group, Inc. is monitoring its systems for further attempts to access customer personal information.</li> <li>• Affected individuals were offered one free year of credit monitoring and identity restoration services.</li> <li>• Affected individuals were informed how to protect themselves against identity theft and fraud.</li> <li>• State regulators, credit card brands and consumer reporting agencies were notified.</li> </ul>
<b>Steps taken to notify individuals of the incident</b>	Affected individuals were notified by mail on January 2, 2015.
<b>REAL RISK OF SIGNIFICANT HARM ANALYSIS</b>	
<b>Harm</b> Some damage or detriment or injury that could be caused to affected individuals as a result of the incident. The harm must also be “significant.” It must be important, meaningful, and with non-trivial consequences or effects.	<p>La Jolla Group, Inc. reported the affected individuals may be at risk for fraud, identity theft and negative effects on their credit reports.</p> <p>I agree with this assessment. The personal information involved includes sensitive financial information that could be used to cause the harms of financial loss, fraud and identity theft. In my view, these are significant harms.</p>

<p><b>Real Risk</b> The likelihood that the significant harm will result must be more than mere speculation or conjecture. There must be a cause and effect relationship between the incident and the possible harm.</p>	<p>La Jolla Group, Inc. reported that there was a real risk of significant harm to the affected individuals.</p> <p>I agree with this assessment. In my view, the risk of harm is increased because the incident resulted from malicious intent.</p>
<p><b>DECISION UNDER SECTION 37.1(1) OF PIPA</b></p>	
<p>Based on the information provided by La Jolla Group, Inc. and given the circumstances of the incident, I have decided that there is a real risk of significant harm to the affected individuals. The personal information involved includes sensitive financial information that could be used to cause the significant harms of financial loss, fraud and identity theft. The incident resulted from malicious intent. These factors contributed significantly to my decision.</p> <p>I require the Organizations to notify the affected individuals in accordance with section 19.1 of the <i>Personal Information Protection Act Regulation</i> (Regulation).</p> <p>I understand the Organizations notified the affected individuals in a letter dated January 2, 2015 in accordance with the Regulation. The Organizations are, therefore, not required to notify the affected individuals again.</p>	

Jill Clayton  
Information and Privacy Commissioner