

February 17, 2016

I am writing to talk to you about the recent cyber incident which temporarily affected the operation of our enterprise-wide hospital information system.

It is important to note that this incident did not affect the delivery and quality of the excellent patient care you expect and receive from Hollywood Presbyterian Medical Center ("HPMC"). Patient care has not been compromised in any way. Further, we have no evidence at this time that any patient or employee information was subject to unauthorized access.

On the evening of February 5th, our staff noticed issues accessing the hospital's computer network. Our IT department began an immediate investigation and determined we had been subject to a malware attack. The malware locked access to certain computer systems and prevented us from sharing communications electronically. Law enforcement was immediately notified. Computer experts immediately began assisting us in determining the outside source of the issue and bringing our systems back online.

The reports of the hospital paying 9000 Bitcoins or \$3.4 million are false. The amount of ransom requested was 40 Bitcoins, equivalent to approximately \$17,000. The malware locks systems by encrypting files and demanding ransom to obtain the decryption key. The quickest and most efficient way to restore our systems and administrative functions was to pay the ransom and obtain the decryption key. In the best interest of restoring normal operations, we did this.

HPMC has restored its electronic medical record system ("EMR") on Monday, February 15th. All clinical operations are utilizing the EMR system. All systems currently in use were cleared of the malware and thoroughly tested. We continue to work with our team of experts to understand more about this event.

I am very proud of the dedication and hard work of our staff who have maintained the highest level of service, compassion and quality of care to our patients throughout this process. I am also thankful for the efforts of the technical staff as the EMR systems were restored, and their continued efforts as other systems are brought back online.

And of course, I want to thank our patients and community for their continued trust in Hollywood Presbyterian Medical Center.

Thank you,

Allen Stefanek, President & CEO Hollywood Presbyterian Medical Center

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