

Zippy's announces settlement with customers affected by data security breach

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HONOLULU (KHON2) - Zippy's Restaurants announced it has settled a class-action claim with customers affected by the data security incident that was discovered in March 2018. Under the terms of the settlement, affected customers may file a claim through a third-party administrator, CPT Group, at the website zippyssettlement.com.

"We strongly encourage everyone who is entitled to these funds to put in a claim. This is their money. You know people have had their payment card numbers potentially exposed, and this is why this claim has been made. It's on behalf of everyone in this class," said Michael Liskow, an attorney representing plaintiffs in the case.

The third-party administrator will provide information on how to make a claim, the timeline for claims settlement and other details regarding claims submission. Claims may be made by submitting a completed claim form and any required supporting information to CPT Group during the claims period from January 4 to June 2, 2019.

FCH Enterprise Inc. has agreed to pay about \$725,000 in claims. There are three claims that can be made on the website. They are "basic award," "expense reimbursement award," and "extraordinary expense award." You can only file one claim per person, per payment card. The amount paid out will vary depending on how many people file a claim and the severity of the affect of the breach.

"Basic award" is for anyone who used their cards during the affected period. They're eligible to receive about \$10. "Expense reimbursement award" is for those who had unauthorized charges on their cards and got a reimbursement. They're eligible to receive up to \$200. "Extraordinary expense award" is for those who have unauthorized charges on their cards and additional expenses that weren't reimbursed. This claim is for rarer circumstances where people may have suffered larger repercussions due to the data breach. They can receive up to \$7,500. People will need to provide proof depending on the type of data breach, such as bank statements, if their account was compromised.

If you were affected, but don't want to receive part of the settlement, you can also choose to opt out by April 3, 2019.

Affected parties may include customers who used credit and debit cards at Zippy's Restaurants, Napoleon's Bakery, Kahala Sushi and Pearl City Sushi between November 23, 2017 and March 29, 2018. Additionally, a small number of credit and debit cards used to purchase drinks at events held at the Pomaikai Ballrooms between the same dates may have been affected. A full list of the affected locations is available at zippyssettlement.com.

An FBI investigation revealed that the hack was executed by FIN7, a sophisticated international criminal group responsible for a number of data breaches involving national restaurant and retail companies. Zippy's has taken steps to prevent this type of event from occurring in the future. This includes updating its system hardware, changing the way certain software and system processes work, and further enhancing system security and monitoring of its payment processing system.

"Zippy's is committed to making things right for our customers impacted by this incident," said Paul Yokota, president of FCH Enterprises, parent company of Zippy's. "While we're grateful that no personal information was exposed in the attack, we continue to recommend that customers closely monitor their credit or debit card statements, and immediately contact their bank or financial institution if they identify any suspicious activity."

After the deadline for claims settlement has passed, unclaimed settlement funds, if any, will be donated to Cyber Hawaii, a local nonprofit working to create a whole of community approach that mitigates cyber risk through threat information sharing and establishing educational pathways to grow a cyber security workforce in Hawaii.

"Despite the sophisticated nature of attacks by a group like FIN7, Zippy's acted quickly to respond, investigate and secure its systems," said Cyber Hawaii spokesperson Jennifer Sabas. "Zippy's is committed to a cyber secure and resilient Hawaii, and is doing its part by sharing its story with other Hawaii businesses, encouraging them to protect themselves against data breaches and cyber attacks. It takes courage and a true aloha for our community."

Customers with questions about this incident or the claims process may contact the claims administrator, CPT Group, toll free at 1-888-906-2033 or visit zippyssettlement.com.