



**CONFIDENTIAL**

February 8, 2019

John Matis  
County of Santa Barbara  
105 East Anapamu Street  
Santa Barbara 93101

Dear Mr. Matis:

We are pleased to confirm the engagement of Kroll Cyber Security, LLC ("Kroll") by the County of Santa Barbara ("Client", and together with Kroll, the "Parties") pursuant to this letter of engagement and the attached Statement of Work ("SOW") (together, the "Agreement").

1. Kroll Services

On behalf of Client, you have engaged Kroll to perform certain services as set forth in the attached SOW (the "Assignment"). In the event Client requests Kroll to expand the scope of the Assignment or undertake related assignments ("Additional Assignments"), each such Additional Assignment will be set forth in a supplementary writing signed by both Parties that references this Agreement and stipulates the fee for the Additional Assignment. Unless otherwise agreed herein, in the event Kroll is requested to (i) provide testimony, (ii) serve as a witness, (iii) update any report, deliverable or other information provided hereunder (the "Kroll Report(s)") for any events or circumstances occurring subsequent to the initial delivery date of the Kroll Report, or (iv) furnish additional services, such additional services will be agreed in a supplementary writing signed by Kroll and Client.

Kroll shall deliver its services in accordance with Client's instructions. However, if instructed by Client in writing, Kroll will perform the Assignment under the direction of Client's counsel. Kroll understands Client and/or such counsel may provide Kroll with certain information and materials developed in anticipation of litigation that may be protected by the attorney-client privilege and/or the work product doctrine. Kroll agrees to treat such materials as confidential and subject to privilege.

2. Confidentiality

Kroll agrees to take reasonable measures to maintain the confidentiality of non-public, confidential and/or proprietary information received from Client and which is designated by Client as confidential or that a reasonable person would consider, from the nature of the information and circumstances of disclosure, to be confidential to Client ("Confidential Information").

If any person or entity requests or subpoenas any Kroll Reports or other Assignment-related information or materials within Kroll's custody or control, Kroll will, unless legally prohibited, promptly inform Client of such request or subpoena so that Client may seek from a court of competent jurisdiction a protective order or other appropriate remedy to limit the disclosure. If Kroll is required to respond to the request or subpoena or to provide testimony, Client agrees to compensate Kroll for reasonable costs and expenses incurred (e.g., reimbursement of reasonable attorneys' fees and disbursements), including, without limitation, compensating Kroll (at hourly rates, as applicable) for responding to legal requests or demands for information and preparing for and testifying at deposition, proceedings and/or trials.

3. Indemnity

The Assignment undertaken (and associated fees) do not contemplate Kroll being made party to any legal proceedings, or subject to third-party claims. Accordingly, Client agrees to hold harmless and indemnify Kroll against all claims, damages and costs (including reasonable attorneys' fees and disbursements) arising out of the Assignment, except for such claims, damages and costs resulting from any actions by Kroll constituting gross negligence, fraud, willful misconduct or unlawful conduct or a breach of the terms of this Agreement.

Kroll agrees to hold harmless and indemnify Client against all claims, damages and costs (including reasonable attorney's fees and disbursements) arising out of any Assignment resulting from any actions by Kroll constituting gross negligence, fraud, willful misconduct or unlawful conduct or a breach of the terms of the Agreement.

4. Limitation of Liability

Client agrees, on its own behalf and on behalf of its agents, that Kroll will not be liable for any claims, liabilities or expenses relating to this engagement for an aggregate amount in excess of the fees paid by Client to Kroll pursuant to this engagement, except to the extent such liability is finally judicially determined to have resulted from Kroll's gross negligence, fraud or willful misconduct. However, in no event will either Party be liable for consequential, special, indirect, punitive or exemplary losses, damages or expenses relating to this engagement, including without limitation damages for loss of data, loss of business profits, business interruption, or other pecuniary loss, even if such Party has been advised of the possibility of such damages.

5. Data Protection

To the extent applicable, the Parties shall comply with relevant national, international, state and/or regional data protection legislation or regulations, including with respect to information disclosed in connection with an Assignment which is personal data (as defined under the relevant legislation or regulation).

6. Computer Forensics

Client acknowledges that digital/computer equipment, drives, data and media may be damaged, infected or corrupted prior to forensic analysis being performed hereunder, and Kroll does not assume responsibility or liability for such pre-existing damage or further problems resulting therefrom. Any data, especially data restored from unknown sources, may contain viruses or other malware; therefore, Client assumes responsibility to protect itself with respect to the receipt of data and shall advise its agents and third-party recipients to take similar precautions.

Client represents and warrants that (i) it has the right to be in possession of, or is the owner of, all equipment/data/media furnished to Kroll hereunder, (ii) such equipment/data/media is furnished for a lawful purpose, and (iii) where applicable, Client's collection, possession, processing and transfer of such equipment/data/media is in compliance with any and all applicable laws, regulations and Client policies, including without limitation concerning data privacy and employee consents.

If in the course of the examination of computers, telephones or other electronic devices, or the examination of electronic media, software content or materials in hard copy form, Kroll or an affiliate observes or otherwise encounters what may be considered illegal contraband, such as images the mere possession of which Kroll reasonably believes to be unlawful, Kroll reserves the right to disclose such contraband to law enforcement. In such an event, and to the extent Kroll reasonably believes is permitted by applicable laws, Kroll will notify Client of its intention to disclose the existence and/or content of such contraband to the appropriate authorities.

Client acknowledges that penetration testing services are intended to probe and exploit system weaknesses, which can cause damage to vulnerable systems. Client agrees that Kroll shall not be liable for any such resulting damage and Client is advised to fully backup systems, only use the services on non-production or other systems for which Client accepts the risk of damage, and take other measures it deems appropriate given the volatile nature of penetration testing.



To the extent any expedited information security and/or computer forensics services are requested by Client, including work that must be performed over a weekend or holiday, or on an overtime basis, Kroll reserves the right to charge for such expedited services at 1.5 times its normal hourly rates for the applicable services.

To the extent Kroll is requested to provide any written testimony or reports relating to information security and/or computer forensics services, such additional services will be provided at Kroll's standard applicable hourly rates. However, oral testimony at deposition, a hearing or trial will be provided at 1.5 times such rates.

#### 7. Use of Information

Client shall be permitted to use Kroll Reports solely for its internal business purposes. Client shall maintain Kroll Reports as confidential, and shall not disclose, disseminate, redistribute or otherwise make any Kroll Reports available to any third party, whether in whole or in part, without the express written consent of Kroll; provided, however, that Kroll Reports may be disclosed by Client: i) to its employees, counsel, agents, and representatives (the "Representatives") who are aware of and agree to the confidentiality obligations herein, and Client shall be responsible for the use and disclosure of Kroll Reports by the Representatives as if it were Client's own use and disclosure; ii) to third parties subject to the execution by each third party of a form of release reasonably satisfactory to Kroll; and iii) if required by law or in response to a lawful order or demand of any court of competent jurisdiction, regulator, or regulatory authority, provided, however, that before making such a disclosure, Client will provide Kroll with prompt prior notice of any such disclosure so that Kroll and/or Client may seek a protective order or other appropriate remedy. Client further agrees and represents that any Kroll Reports provided hereunder will not be used for employment purposes, credit evaluation or insurance underwriting purposes, and that the services hereunder are being contracted for, and will only be used in connection with a business, investment or other commercial purpose.

#### 8. Fees and Invoicing

The fees shall be as set forth in the attached SOW. Kroll shall invoice Client on a monthly basis, and each invoice will include the contract number Client assigns (see Agreement form), to the Bill-To address on the Agreement form, following completion of the increments identified in the Statement of Work.

Client agrees to pay Kroll within forty-five (45) days from presentation of the invoice. Any unpaid balances shall accrue interest at the rate of 8% per annum, as measured from forty-five (45) days after the date of each invoice. Client acknowledges its obligation to pay undisputed amounts as set forth above. In the event Client disputes any portion of an invoice, Client will notify Kroll in writing of the disputed charges within forty-five (45) days of the invoice date. Kroll reserves the right to terminate its services at any time if Client fails to pay Kroll's invoices in a timely manner. Client agrees to reimburse Kroll for any costs of collection, including reasonable attorneys' fees.

The fees and charges for the Services do not include applicable federal, foreign, state or local sales, withholding, use, value added, gross income, excise, or ad valorem taxes. Client will be solely responsible for all applicable federal, state, local, and withholding taxes levied or assessed in connection with Kroll's performance of Services, other than income taxes assessed with respect to Kroll's income. Client will not be responsible for paying any taxes on Kroll's behalf, and should Client be required to do so by state, federal, or local taxing agencies, Kroll agrees to promptly reimburse Client for the full value of such taxes paid plus interest and penalty assessed, if any. These taxes include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance. Notwithstanding the foregoing, if Kroll is using a non-California address or a California P.O. Box address for conducting its business with Client, Kroll will be subject to required nonresident withholding for services that Kroll provides in California for Client, unless Kroll is a government entity or unless Kroll provides Client with a California withholding form that shows Kroll is exempt from withholding.

9. Conflicts

In connection with its case opening process, Kroll follows procedures designed to identify conflicts of interest.

Client understands and agrees that the engagement by Client of Kroll for a discrete Assignment hereunder does not prevent Kroll or its affiliated companies from providing services to other clients adverse to Client on matters not substantially related to the particular Assignment being performed hereunder, provided, however, Confidential Information obtained while performing the Assignment will continue to be treated as confidential and will not be shared or used in connection with the performance of any other services provided by Kroll or its affiliated companies.

In the ordinary course of business, Kroll companies may be asked by two or more different clients to gather and assess information regarding a common subject -- individual or company. The investigation of a common subject shall not, in and of itself, be deemed to constitute or give rise to a conflict of interest. In this regard, information gathered and/or provided by a Kroll company in one assignment may differ from information gathered and/or provided about the same or similar common subject in another assignment, often as a result of differences in client-defined services, scope and budget.

10. Termination

Either Party may terminate this Agreement on thirty (30) days prior written notice to the other Party or earlier upon mutual written agreement.

In the event of any termination, Kroll will be entitled to payment of any invoices outstanding, as well as payment for any disbursements, fees and/or costs incurred through the date of termination. Provisions of this Agreement which by their nature are intended to survive termination or expiration of this Agreement shall survive expiration or termination of this Agreement.

11. Assignability

Except as otherwise provided herein, neither Party shall assign this Agreement or any individual Party's rights or privileges hereunder without the prior written consent of the other Party, which consent shall not be unreasonably delayed, conditioned or withheld; provided, however, that the applicable Kroll company may assign this Agreement to any company which controls, is controlled by, or is under common control with Kroll, or in the event of a merger, acquisition or sale of all or substantially all of the assets thereof.



12. Governing Law and Dispute Resolution

This Agreement is governed by the laws of the State of California without regard to the law of conflicts. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by the applicable California state and federal courts, in the County of Santa Barbara (if in state court), or in the applicable federal district court for Santa Barbara County, if in federal court. Each Party shall bear its own costs in connection with any proceedings hereunder. Nothing herein shall prevent either Party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of the dispute as is necessary to protect either Party's proprietary rights. Each Party, to the fullest extent permitted by law, knowingly, voluntarily, and intentionally waives its right to a trial by jury in any action or other legal proceeding arising out of or relating to the Agreement or the services. The foregoing waiver applies to any action or legal proceeding, whether sounding in contract, tort or otherwise.

13. Insurance

Kroll shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with Kroll's performance of this Agreement and provide evidence of insurance as follows:

- A. Workers' Compensation Insurance (in accordance with applicable law)
- B. Commercial General Liability (CGL): covering CGL on an "occurrence" basis, including personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- C. Professional Liability (Errors and Omissions) Insurance appropriate to Kroll's profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- D. Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

Kroll will provide, upon written request, proof of insurance in the form of certificates of insurance. .

14. Amendment, Waiver and Entire Agreement

Any of the terms and conditions herein may be amended or waived only with the written consent of the Parties. This Agreement, including any exhibits and appendices thereto, constitutes the entire agreement of the Parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof.

15. Severability

If any portion of this Agreement is held to be unenforceable under applicable law, the Parties agree that such provision shall be excluded from this Agreement, the balance of this Agreement shall be interpreted as if such provision were so excluded, and the balance of this Agreement shall be enforceable in accordance with its terms.

\* \* \*

This Agreement shall be effective as of the date on which Kroll first provides services to Client. If this letter is satisfactory, kindly execute and return the enclosed copy.



Very truly yours,

**KROLL CYBER SECURITY, LLC**

Devon Ackerman

|        |                   |
|--------|-------------------|
| Name:  | Devon Ackerman    |
| Title: | Managing Director |
| Date:  | 02/08/2019        |

AGREED TO AND ACCEPTED:

**COUNTY OF SANTA BARBARA**  
Ray Aromatorio, Date: 2019.02.08  
Risk Manager / 13:39:51 -05'00'

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Name:  
Title:  
Date:

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State licensing information can be found at: [www.kroll.com/licensing](http://www.kroll.com/licensing)

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**STATEMENT OF WORK  
FOR  
INFORMATION SECURITY AND COMPUTER FORENSICS SERVICES**

This Statement of Work ("SOW"), dated February 8, 2019 is entered into pursuant to and incorporates herein by reference the letter of engagement entered into as of February 8, 2019 (together with this SOW, the "Agreement"), by and between the County of Santa Barbara ("Client") and Kroll Cyber Security, LLC ("Kroll"). Capitalized terms herein shall have the meaning ascribed in the letter of engagement.

**A. Description of Services**

| Description of services; scope of Assignment   | Estimated delivery date |
|--|-------------------------|
| <p><b>Phase 1 - Malware Infection</b></p> <ul style="list-style-type: none"> <li>• Forensic analysis to determine and document timeline of events, possible malware infection, data exfiltration methods and account compromise.</li> <li>• If possible from available evidence, determine malware infection vector.</li> <li>• Attempt to identify indicators of compromise and if any sensitive data may have been exposed as a result of any identified compromise.</li> <li>• Preservation and analysis of available network logs to include Firewall/NetFlow, VPN, web proxy, and IDS/IPS to identify relevant anomalies.</li> <li>• Work alongside Client to remediate any potential vulnerabilities.</li> <li>• Provide recommendations regarding containment and remediation of data event based on results of investigation.</li> <li>• If available, automated analysis of the ransomware binary and any related ransomware data.</li> <li>• Verbal presentation of findings and drafting of report as requested by Counsel and Client.</li> </ul> <p><b>Kroll CyberDetectER® Powered by Red Canary</b></p> <ul style="list-style-type: none"> <li>• Enterprise-wide end-point threat monitoring by Kroll and its strategic partner, Red Canary, with CarbonBlack for approximately 30 days and up to 20,000 end points.</li> <li>• Leverage CyberDetectER and Kroll's tools for purposes of monitoring endpoints for signs of malware infections, known Indicators of Compromise ("IOC"), and identification of compromised host(s) or account(s).</li> <li>• Kroll may use CyberDetectER and other remote forensic techniques and tools to gather evidence as necessary to facilitate the investigation, including to determine timeframe and scope of any sensitive data exposure.</li> <li>• Provide Client with actionable leads to resolve current security events.</li> <li>• Locate IOCs beyond those discovered in other investigations.</li> </ul> | TBD                     |

**B. Fee Structure**

Professional Fees for Kroll's services under this SOW will be charged on an hourly basis as follows:

Consulting Services..... \$325/hour\*  
Travel Time.....50% of Consultant/Engineer hourly rate  
Media Preservation/Replication..... \$400/media

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Media / Data Storage .....\$25/media/month

\*Indicates Beazley preferred rates.

Based on the information now available and known to Kroll, we estimate completion of this engagement will cost between \$85,000 and \$145,000, plus travel time, travel expenses, media output, freight and any applicable taxes. However, frequently the full scope of work cannot be known without further investigation, and thus this estimate may be subject to change based on newly-discovered information.

Accepted and agreed:

**COUNTY OF SANTA BARBARA**

**KROLL CYBER SECURITY, LLC**

Ray Aromatorio, Date: 2019.02.08  
Risk Manager 13:04:21 -05'00'

Devon Ackerman

Name:  
Title:  
Date:

Name: Devon Ackerman  
Title: Managing Director  
Date: 02/08/2019

State licensing information can be found at [www.kroll.com/licensing](http://www.kroll.com/licensing)

### Related Cyber Risk Services



### Additional Governance, Risk, Investigation and Diligence Services

- Business Intelligence and Investigations
- Compliance Risk and Diligence
- Disputes
- Compliance Regulatory Consulting
- Legal Management Consulting
- Security Risk Management