

A Closer Look at

THE LAW



CUNNINGHAM
DALMAN PC
ATTORNEYS AT LAW

E-Newsletter
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Regarding Personal
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Disclaimer: This newsletter is for general information only and covers only broad legal concepts. In no way is this newsletter intended as formal legal advice. If you have further questions regarding a legal matter, please consult a licensed attorney.

Cunningham Dalman, P.C. is a full service law firm located in Holland, as well as in Douglas, Michigan. Our attorneys possess skill and experience in a broad spectrum of areas of practice, and have proudly served the lakeshore community for over 100 years.

Know Your Responsibilities Regarding Personal Information.

By: [P. Haans Mulder](#)
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As a business owner or someone who runs an organization (whether a non-profit or a governmental unit), do you collect personal information from your customers/clients, donors, or residents? It is inconceivable that you would not in this age of technology. Technology has and will continue to allow you to become more profitable and efficient. However, in some cases (including this one), it has resulted in additional responsibilities.

Michigan has joined a growing number of States that have adopted a law dealing with the unauthorized access of personal information. This law goes into effect on July 2 of this year so it is important to act soon. Business owners and individuals who run organizations should be aware that this law places new burdens on you. Whenever personal information is lost or obtained through unauthorized access, you are now required to notify the individuals who are impacted. In particular, this obligation to notify arises when (1) someone has either accessed personal information on your database without authority; (2) has stolen personal information; or (3) there has been a loss of equipment (such as a

computer) that contains personal information. Personal information is broadly defined to include someone's social security number, ID (such as a driver's license), and any financial information (like a credit card or bank account number).

The law doesn't have specific requirements regarding when you are required to notify the people who are affected and in what manner. It merely states that notification must be given without "unreasonable delay" and you must decide what is a reasonable way to contact people who have been affected. This presents challenges because the burden is on you to determine what a reasonable time is.

Depending on the scope of the breach, the penalty could be substantial. Civil fines can be levied up to \$250.00 for each failure to provide notice and are capped at \$750,000.00. Not too many business or organizations could absorb such a significant loss. Therefore, it is highly advisable that you become aware of your responsibilities and develop a policy to deal with this risk.