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Cybersecurity & Data Privacy: Sector-Specific Laws, the DOJ's Data Security Program, and the Lapse of CISA 2015 – Oh My!

By Zachary A. Myers and Erin M. Prest

The data organizations collect and transmit continues to expand at a seemingly exponential rate. At the same time, the road to protect themselves and their stakeholders is constantly growing more difficult to navigate.

They must work to comply with a growing array of state, federal, and international laws, rules, and policies, creating unseen obstacles to avoid damaging missteps. The first step is knowing what data you have. The next is to understand what you're doing with your data. Only then can you fully assess what legal requirements might apply and how to stay in compliance.

Federal laws and regulations are littered with various overlapping definitions of categories of information that may be subject to data security and privacy regulations. Does your business collect or transmit Personally Identifiable Information? Sensitive Financial Data? Protected Health Information? Educational Records? Children's Personal Information? Depending on whose data you have and where you are engaged in business your data may fall within the scope of one or more of the many different definitions set forth by the nearly 20 states that have their own data privacy laws--and as of June 2025, Connecticut is one of them. These state-specific data privacy rules are in addition to the data security and breach laws in force in every U.S. state and territory.

Evolving federal requirements include the Department of Justice's (DOJ) Data Security Program and the expiration of the Cyber-

security Information Sharing Act of 2015. The Data Security Program applies broadly to any U.S. companies, citizens, or organizations that engage in certain transactions with countries of concern or covered persons involving bulk U.S. sensitive personal or government-related data. As the DOJ itself explains, the National Security Division "expects U.S. persons to know their transactions and data. Specifically, U.S. persons should have awareness of the type and volume of their data and whether they maintain or deal in government-related data and bulk U.S. sensitive personal data."

The definitions of sensitive data and government-related data are expansive under the rule and include bulk sensitive data that is anonymized, pseudonymized, de-identified, or encrypted in ways that might exempt that data from the application of other existing laws and regulations. The Program prohibits or restricts certain data transactions involving foreign data brokers as well as "countries of concern" and persons or entities controlled by them. As of now, these countries are China, Cuba, Iran, North Korea, Russia, and Venezuela.

In order to make sure they are in compliance, companies need to understand their data, their transactions, and their business partners. While the DOJ's Data Security Pro-

gram creates new obligations, they relate to those first steps that apply to every entity: know your data and know your transactions.

The same imperative to understand your data and how it is shared applies to how businesses share data with each other for the purposes of cybersecurity and threat detection. Until the end of September 2025, private sector entities had specific legal protections that encouraged sharing of cyber threat information within the private sector and with the federal government. The Cybersecurity Information Sharing Act of 2015 (CISA 2015) created a legal framework for multilateral information sharing that allowed entities to learn from the lessons of others and be on the lookout for threats and indicators of compromise. It also provided an antitrust safe harbor for companies to share cybersecurity information directly with each other, and authorized companies to take defensive measures to detect, prevent, and mitigate cybersecurity threats. These protections expired on September 30, 2025, and were not renewed by Congress. During this period of lapse, companies need to return to the basics, making sure they review and, if needed, update log-on banners, employee policies, and privacy notices to ensure that they have consent to monitor and/or share the information they collect.

The road to comply with cybersecurity and data privacy obligations continues to wind, with new hills to climb and obstacles to avoid. To travel successfully, know what data you have, how to protect it, what data transactions you are engaging in, and what laws, policies, and regulations might apply.



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After upgrades and new tenants, Ellington Big Y plaza lands \$16M refinancing

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Two and a half years after acquiring a Big Y-anchored shopping plaza in Ellington, a Manhattan-based investment group has recouped part of its acquisition cost through a \$16 million mortgage.

The group — led by **Reggie D. Kronstadt**, principal of **Krown Point Capital** — bought the nearly 100,000-square-foot, three-building property in 2023 for \$27.75 million. Kronstadt said a \$16 million loan secured in August from Danbury-based Union Savings Bank allowed investors to cash out gains from improvements and new leases.

"Given the value created from the new development and from leasing efforts, we were able to upsize the refinancing amount, which provided for some return of capital," Kronstadt said.

Krown Point led a group of investors that bought the shopping center on nearly 30 acres at 135 West Road. The deal involved two limited liability companies that split ownership 70% to 30%. At the time, the LLCs assumed \$11.5 million in mortgage debt owed by the prior owner to TD Bank.

The investors added a 7,701-square-foot, three-unit retail building last year.

A GoHealth Urgent Care leased one unit, Starbucks another. A Jersey Mike's sub shop will move into the last space in early 2026, Kronstadt said.

The plaza ownership also secured a long-term lease extension with supermarket Big Y through 2036, Kronstadt said, creating more value. He's also close to signing a lease with a tenant for the last, 7,500-square-foot space available in the original retail building.

Union Savings Bank provided a \$16 million loan to Kronstadt and his partners at 5.71% interest, on a five-year term with interest-only payments during the first year.

"We were able to get very competitive terms in recognition of the long-term tenancy of Big Y, coming on the heels of activating the new building," Kronstadt said.

The partners have upgraded the property with new sidewalks, pavement, landscaping and irrigation, and added electric vehicle charging stations.

"This is our playbook," Kronstadt said, "finding centers we can add value to by adding leasing capacity and redeveloping initiatives."

'Fairly strong' market

Joe Morrissey, the executive vice president of commercial lending for **Union Savings**, said banks have been "aggressively" competing for deals this year.

Morrissey said Union Savings, which



A new 7,701-square-foot, three-unit retail building added last year to the Ellington shopping plaza at 135 West Road. Photo | CoStar

has \$3.15 billion in assets, began making commercial loans of this size about 15 years ago and has increased its appetite for large commercial lending over the past dozen years.

"We found that segment of the market had more deals happening, and as a financial institution we were looking to increase our holdings within the commercial real estate sector," Morrissey said. "We really achieved that over the last 10 to 15 years to where we really doubled the commercial real estate assets that we have."

Morrissey said lenders were wary several years ago about how Amazon's rapid growth might affect retail real estate, but have since been reassured by the sector's resilience and ability to adapt with new tenant mixes.

"As it's turned out, that particular sector has held up fairly strong," Morrissey said. "Of course, you've seen a transition in the type of tenants within those properties.

More medical now, more restaurants and lifestyle-type tenants in a plaza like that. So the mix of tenants has migrated and has been fairly resilient. Retail continues to be an attractive sector to lend to."

Jordan Fogel, a senior vice president and head of commercial real estate at **Union Savings**, said that during the low-interest-rate period several years ago, lenders relied on loan-to-value ratios as a key measure of deal strength. Now, he said, debt-service coverage and debt yield metrics carry more weight.

Grocery-anchored assets, like the Ellington property, allow lenders to offer competitive terms, Fogel said.

"When you have a grocery-anchored income center, you can tend to be a bit more aggressive because they tend to attract occupancy, because everyone wants to be in there with a grocery store because of the foot traffic they are getting," Fogel said. ♦

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