

# BakerHostetler

**Baker & Hostetler LLP**

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CONSUMER PROTECTION

September 4, 2020

2929 Arch Street  
City Centre, 12th Floor  
Philadelphia, PA 19104-2891

T 215.568.3100  
F 215.568.3439  
www.bakerlaw.com

Daniel A. Pepper  
direct dial: 215.564.2456  
dpepper@bakerlaw.com

## VIA OVERNIGHT MAIL

Attorney General Gordon MacDonald  
Office of the Attorney General  
33 Capitol Street  
Concord, NH 03301

*Re: Incident Notification*

Dear Attorney General MacDonald:

I am writing to notify you of a data security incident involving New Hampshire residents on behalf of my client, Advantage Capital Funding, LLC (“Advantage Capital”), a financial services company that provides commercial lending services to merchants.

On March 17, 2020, Advantage Capital confirmed a report that it initially received on February 6, 2020 from a “white hat” security researcher concerning potentially unauthorized access to an online database that Advantage Capital used to store data related to merchant loan applications. Advantage Capital subsequently took the database offline and a cyber security firm was engaged to assist with the investigation.

Through the investigation, Advantage Capital determined that between February 6, 2020 and March 6, 2020, the cloud storage bucket in which Advantage Capital stored data related to the loan applications that it received from merchants, was accessible over the internet. The investigation was unable to rule out the possibility that another unauthorized party, aside from the “white hat” security researcher, may have accessed the names, addresses, email addresses, Social Security numbers, driver’s license numbers and financial account numbers that were contained in the database.

Beginning on September 4, 2020, Advantage Capital will mail notification letters via United States First-Class mail to the six New Hampshire residents whose information may have been

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involved in this incident, in accordance with N.H. Rev. Stat. Ann. § 359-C:20.<sup>1</sup> A copy of the notification letter is enclosed. Advantage Capital is offering one year of complimentary credit monitoring and identity theft protection service through MyIDCare to the individuals whose information may have appeared in the accessed database. Advantage Capital is also providing a call center for the individuals to call with questions regarding the incident.

To help prevent a similar incident from occurring in the future, Advantage Capital has implemented a hosted database service policy, which enhances the service's security to help prevent public accessibility to the system. Advantage Capital has also implemented document tracking and tracing in the hosted database to identify access ability and has encrypted the database to limit access to select IP addresses that are only accessible to those with granted access.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,



Daniel A. Pepper  
Partner

Enclosure

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<sup>1</sup> This letter is not, and does not constitute, a waiver of Advantage Capital's objection that New Hampshire lacks personal jurisdiction over it regarding any claims related to this data security incident.



C/O ID Experts  
P.O. Box 1907  
Suwanee, GA 30024

To Enroll, Please Call:  
1-833-573-0853  
Or Visit:  
<https://app.myidcare.com/account-creation/protect>  
Enrollment Code: <<XXXXXXXXXX>>

<<FirstName>> <<LastName>>  
<<Address1>>  
<<Address2>>  
<<City>>, <<State>> <<ZipCode>>

September 4, 2020

Dear <<FirstName>>:

Advantage Capital Funding, LLC (“Advantage Capital”) takes data security very seriously and we understand the importance of protecting the information we maintain. We are writing to inform you about an incident that may have involved some of your information. This notice explains the incident, measures we have taken, and some steps you can take in response.

**WHAT HAPPENED:** On March 17, 2020, Advantage Capital confirmed a report that it initially received on February 6, 2020 concerning potentially unauthorized access to a third-party hosted database that Advantage Capital used to store merchant loan application data. Advantage Capital subsequently took the database offline and a cyber security firm was engaged to assist with the investigation. Through the investigation, Advantage Capital determined that the unauthorized access occurred between February 6, 2020 and March 6, 2020. Advantage Capital has addressed the security issues resulting in this incident.

**WHAT INFORMATION WAS INVOLVED:** Advantage Capital has determined that the hosted database that was subject to unauthorized access contained names, addresses, email addresses, dates of birth, Social Security numbers, driver’s license numbers and financial account numbers.

**WHAT YOU CAN DO:** To date, Advantage Capital is unaware of any misuse of the information maintained in the online database that was subject to unauthorized access. Out of an abundance of caution, we encourage you to remain vigilant by reviewing your financial account statements for any unauthorized activity. If you see charges or activity you did not authorize, we suggest that you contact your financial institution immediately. In addition, we have arranged for ID Experts® to provide you with complimentary MyIDCare™ identity theft protection services. Those services include: 12 months of credit and CyberScan monitoring, a \$1,000,000 insurance reimbursement policy, and fully managed ID theft recovery services. With this protection, MyIDCare will help you resolve issues if your identity is compromised. To enroll in MyIDCare services, visit <https://app.myidcare.com/account-creation/protect> or call 1-833-573-0853, Monday through Friday from 9 am – 9 pm Eastern Time and using the Enrollment Code provided above. Please note the deadline to enroll is December 4, 2020.

**WHAT WE ARE DOING:** Advantage Capital regrets any inconvenience or concern this may cause. To help prevent a similar incident from occurring in the future, Advantage Capital has implemented a hosted database service policy, which enhances the service’s security to help prevent public accessibility to the system. Advantage Capital has also implemented document tracking and tracing in the hosted database to identify access ability and has encrypted the database to limit access to select IP addresses that are only accessible to those with granted access.

**FOR MORE INFORMATION:** For any questions you may have regarding this data security incident, please call our dedicated call center for this issue at (833) 573-0854, Monday through Friday, from 9:00 a.m. to 9:00 p.m., Eastern Time.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hanine Kandeel', written in a cursive style.

Hanine Kandeel  
Chief Technology Officer

## ADDITIONAL STEPS YOU CAN TAKE

We remind you it is always advisable to be vigilant for incidents of fraud or identity theft by reviewing your account statements and credit reports for any unauthorized activity. You may obtain a copy of your credit report, free of charge, once every 12 months from each of the three nationwide credit reporting companies. To order your annual free credit report, visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call toll free at 1-877-322-8228. You can also contact the three nationwide credit reporting companies below:

- *Equifax*, PO Box 740241, Atlanta, GA 30374, [www.equifax.com](http://www.equifax.com), 1-800-685-1111
- *Experian*, PO Box 2002, Allen, TX 75013, [www.experian.com](http://www.experian.com), 1-888-397-3742
- *TransUnion*, PO Box 2000, Chester, PA 19016, [www.transunion.com](http://www.transunion.com), 1-800-916-8800

If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your state. You can obtain information from these sources about steps an individual can take to avoid identity theft as well as information about fraud alerts and security freezes. You may also consider contacting your local law enforcement authorities and filing a police report. You may be asked to provide a copy of the police report to creditors to correct your records. Contact information for the Federal Trade Commission is below:

- *Federal Trade Commission*, Consumer Response Center, 600 Pennsylvania Avenue NW, Washington, DC 20580, 1-877-IDTHEFT (438-4338), [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)

**Fraud Alerts:** There are two types of general fraud alerts you can place on your credit report to put your creditors on notice that you may be a victim of fraud—an initial alert and an extended alert. You may ask that an initial fraud alert be placed on your credit report if you suspect you have been, or are about to be, a victim of identity theft. An initial fraud alert stays on your credit report for one year. You may have an extended alert placed on your credit report if you have already been a victim of identity theft. An extended fraud alert stays on your credit report for seven years.

To place a fraud alert on your credit reports, contact one of the nationwide credit reporting companies (Equifax, Experian, or Trans Union). A fraud alert is free. The credit reporting company you contact must tell the other two, and all three will place an alert on their versions of your report.

For those in the military who want to protect their credit while deployed, an Active Duty Military Fraud Alert lasts for one year and can be renewed for the length of your deployment. The credit reporting companies will also take you off their marketing lists for pre-screened credit card offers for two years, unless you ask them not to.

**Credit or Security Freezes:** You have the right to put a credit freeze, also known as a security freeze, on your credit file, free of charge, which makes it more difficult for identity thieves to open new accounts in your name. That's because most creditors need to see your credit report before they approve a new account. If they can't see your report, they may not extend the credit.

*How do I place a freeze on my credit reports?* There is no fee to place or lift a security freeze. Unlike a fraud alert, you must separately place a security freeze on your credit file at each credit reporting company. For information and instructions to place a security freeze, contact each of the credit reporting companies at the addresses below:

- **Experian Security Freeze**, PO Box 9554, Allen, TX 75013, [www.experian.com](http://www.experian.com)
- **TransUnion Security Freeze**, PO Box 2000, Chester, PA 19016, [www.transunion.com](http://www.transunion.com)
- **Equifax Security Freeze**, PO Box 105788, Atlanta, GA 30348, [www.equifax.com](http://www.equifax.com)

You will need to supply your name, address, date of birth, Social Security number and other personal information.

After receiving your freeze request, each credit reporting company will provide you with a unique PIN (personal identification number) or password. Keep the PIN or password in a safe place. You will need it if you choose to lift the freeze.

A freeze remains in place until you ask the credit reporting company to temporarily lift it or remove it altogether. If the request is made online or by phone, a credit reporting company must lift a freeze within one hour. If the request is

made by mail, then the reporting company must lift the freeze no later than three business days after getting your request.

If you opt for a temporary lift of the freeze because you are applying for credit or a job, and you can find out which credit bureau the business will contact for your file, you can save some time by lifting the freeze only at that particular credit bureau. Otherwise, you need to make the request with all three credit reporting companies.

**Maryland:** Advantage Capital Funding, LLC is located at 104 East 25th Street, Floor 10, New York, New York 10010. You may contact and obtain information from your state attorney general at: Maryland Attorney General's Office, 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023 / 1-410-576 6300, [www.oag.state.md.us](http://www.oag.state.md.us)

**New York:** You may contact and obtain information from these state agencies:

- New York Department of State Division of Consumer Protection, One Commerce Plaza, 99 Washington Ave., Albany, NY 12231-0001, 518-474-8583 / 1-800-697-1220, <http://www.dos.ny.gov/consumerprotection>
- New York State Office of the Attorney General, The Capitol, Albany, NY 12224-0341, 1-800-771-7755, <https://ag.ny.gov>

**North Carolina:** You may contact and obtain information from your state attorney general at: North Carolina Attorney General's Office, 9001 Mail Service Centre, Raleigh, NC 27699, 1-919-716-6000 / 1-877-566-7226, [www.ncdoj.gov](http://www.ncdoj.gov)

**Rhode Island:** There were 4 Rhode Island residents whose information was involved in this incident. Under Rhode Island law, you have the right to file and obtain a copy of a police report. You also have the right to request a security freeze, as described above. You may contact and obtain information from your state attorney general at: Rhode Island Attorney General's Office, 150 South Main Street, Providence, RI 02903, 1-401-274-4400, [www.riag.ri.gov](http://www.riag.ri.gov)

**West Virginia:** You have the right to ask that nationwide consumer reporting agencies place "fraud alerts" in your file to let potential creditors and others know that you may be a victim of identity theft, as described above. You also have a right to place a security freeze on your credit report, as described above.

**A Summary of Your Rights Under the Fair Credit Reporting Act:** The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit reporting companies and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Your major rights under the FCRA are summarized below. For more information, including information about additional rights, go to [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore) or write to: Consumer Financial Protection Bureau, 1700 G Street N.W., Washington, DC 20552.

- You must be told if information in your file has been used against you.
- You have the right to know what is in your file.
- You have the right to ask for a credit score.
- You have the right to dispute incomplete or inaccurate information.
- Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.
- Consumer reporting agencies may not report outdated negative information.
- Access to your file is limited.
- You must give your consent for reports to be provided to employers.
- You may limit "prescreened" offers of credit and insurance you get based on information in your credit report.
- You have a right to place a "security freeze" on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization.
- You may seek damages from violators.
- Identity theft victims and active duty military personnel have additional rights.