

**BH****EQUITIES, LLC**

400 LOCUST STREET, SUITE 790  
DES MOINES, IA 50309

TEL (515) 244-2622  
FAX (515) 244-2742

April 1, 2016

*Via Fax: (603) 271-2110*  
Attorney General Joseph Foster  
Office of the Attorney General  
33 Capitol Street  
Concord, NH 03301

**RE: Security Breach Notification**

To Whom it May Concern:

BH Equities, L.L.C. ("**BH**") is a limited liability company located in Des Moines, Iowa. On or about March 21, 2016, BH identified a data breach involving personal information. The data breach and steps we are taking or plan to take are described in the attached sample notice. Some individuals that have been affected by the breach are residents of your state. The data breach affected approximately 2 residents of your state. We anticipate the affected residents will receive notice of the breach by Tuesday, April 5, 2016. Thank you.

BH

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March 30, 2016

Dear BH Investor:

We are contacting you about a potential security breach involving your personal information. On March 21<sup>st</sup>, we identified a security breach in that one BH user account password was compromised. We retained Dell SecureWorks to conduct a forensic analysis of our server logs, together with those user computers and email boxes that we suspected were targeted. Based on analysis conducted so far, SecureWorks has no evidence to believe that investor lists, banking or tax information were downloaded, but it is possible the unauthorized user gained the temporary ability to view data within the compromised user's mailbox, including tax return information setting forth name, address and social security number or federal tax identification number. Since such information could have been viewed by the unauthorized user, we are informing you of the incident and urging you to be watchful of any suspicious or unusual activity involving your credit or personal finances.

It appears that the intruder was seeking company bank account information and passwords in order to fraudulently direct a transfer of funds from company bank accounts. That attempt was identified by controls in place and no unauthorized fund transfer occurred.

At BH, we take the security of your personal data very seriously. We had in place policies, procedures and security programs to protect against access by unauthorized persons, and had our technology systems reviewed in 2015 by a third-party, independent IT consultant. While our Investor Portal and secured network currently meet all applicable federal regulations regarding storage of personal data, we now are adding even more safeguards to further enhance security. This includes broadening our data encryption policies to include all information on our platform and purchasing Cylance, an algorithm-based, next-generation cybersecurity software program for our systems.

A comprehensive guide from the Federal Trade Commission (FTC) entitled *Take Charge: Fighting Back Against Identity Theft* can be found at <http://www.consumer.ftc.gov/articles/pdf-0009-taking-charge.pdf>. The Guide sets forth steps you can take to protect against identity theft including ordering free credit reports, placing a fraud alert on your credit file and/or requesting a credit freeze.

You can obtain more information about fraud alerts and security freezes by contacting any of the three consumer reporting agencies:

Equifax  
P.O. Box 740250  
Atlanta, GA 30374  
1-800-525-6285  
<https://www.equifax.com>

Experian  
P.O. Box 1017  
Allen, TX 75013  
1-888-397-3742  
<http://www.experian.com>

TransUnion  
P.O. Box 6790  
Fullerton, CA 92634  
1-800-680-7289  
<http://www.transunion.com>

If you find suspicious activity on your credit reports or have reason to believe your information is being misused, call your local law enforcement and your state attorney general and file a report. You should also file a complaint with the FTC. Your complaint will be added to the FTC Identity Theft Data Clearinghouse, where it will be accessible to law enforcement for identity theft investigations. The FTC's contact information is:

Federal Trade Commission  
1-877-ID-THEFT (1-877-438-4338)  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
<http://www.ftc.gov>

Even if you do not initially find any suspicious activity on your credit reports, the FTC recommends that you continue to check your credit reports periodically. Victim information is sometimes held for use in the future or shared among unlawful groups for use at different times. Checking your credit reports periodically can help you spot problems and address them quickly.

As a courtesy to you, we are offering a complimentary one-year membership of Experian's® ProtectMyID® Alert. This product helps detect possible misuse of your personal information and provides you with superior identity protection support focused on immediate identification and resolution of identity theft. Please see the attached exhibit for instructions on how to enroll in the program.

If you have any specific information, concerns or questions about the incident or subject matter of this letter, please contact me at:

Harry Bookey  
CEO  
BH Equities  
515-865-8261

BH values our business relationship and regrets any inconvenience or concern resulting from this incident. Please do not hesitate to call me with any questions.

Sincerely,



Harry Bookey  
CEO

### Activate ProtectMyID Now in Three Easy Steps

1. ENSURE That You Enroll By: **July 31<sup>st</sup>, 2016** (Your code will not work after this date.)
2. VISIT the ProtectMyID Web Site to enroll: [www.protectmyid.com/alert](http://www.protectmyid.com/alert)
3. PROVIDE Your Activation Code: <<Code>>

If you have questions or need an alternative to enrolling online, please call (877) 297-7780 and provide engagement #: **(Engagement Number)**

Additional details regarding your [12-MONTH] ProtectMyID Membership:

A credit card is not required for enrollment.

Once your ProtectMyID membership is activated, you will receive the following features:

- **Free copy of your Experian credit report**
- **Surveillance Alerts for:**
  - **Daily Bureau Credit Monitoring:** Alerts of key changes & suspicious activity found on your Experian credit report.
  - **Identity Theft Resolution & ProtectMyID ExtendCARE:** Toll-free access to US-based customer care and a dedicated Identity Theft Resolution agent who will walk you through the process of fraud resolution from start to finish for seamless service. They will investigate each incident; help with contacting credit grantors to dispute charges and close accounts including credit, debit and medical insurance cards; assist with freezing credit files; contact government agencies.
  - It is recognized that identity theft can happen months and even years after a data breach. To offer added protection, you will receive ExtendCARE™, which provides you with the same high-level of Fraud Resolution support even after your ProtectMyID membership has expired.
  - **\$1 Million Identity Theft Insurance\*:** Immediately covers certain costs including, lost wages, private investigator fees, and unauthorized electronic fund transfers.

Once your enrollment in ProtectMyID is complete, you should carefully review your credit report for inaccurate or suspicious items. If you have any questions about ProtectMyID, need help understanding something on your credit report or suspect that an item on your credit report may be fraudulent, please contact Experian's customer care team at 877-297-7780.