

February 12, 2020

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CONSUMER PROTECTION

VIA FIRST-CLASS MAIL

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

Re: Notice of Security Incident

Dear Attorney General MacDonald:

We are writing on behalf of Kabbage, Inc. (Kabbage), to inform you of a recent information security incident and to explain the steps the company is taking to address the incident, including notifying affected individuals in your state.

On January 13, 2020, Kabbage detected a number of suspicious attempts to log-in to certain Kabbage customer accounts. Kabbage promptly launched an investigation. The investigation revealed that perpetrators had utilized a credential stuffing attack, using username and password combinations obtained from a source not associated with Kabbage, in order to attempt to access Kabbage accounts. In a small number of instances, the perpetrators were successful in gaining access to Kabbage accounts, including the accounts of 1 resident in your state, through the use of valid usernames and passwords obtained from that source. As a result, personal information contained in that account may have been subject to unauthorized access. There is no evidence of fraudulent activity in the account. However, the incident may have resulted in unauthorized access to name, address, phone number, date of birth, Social Security number, and bank account information.

As a precaution, Kabbage disabled the password to the impacted account, blocking access to the account, and provided mandatory password reset instructions to the affected individual. The company also enhanced its authentication process, adding an extra layer of security. Kabbage is providing complimentary credit monitoring and identity theft protection services for 12 months to the affected individual.

To date, there is no indication that this incident has impacted any other entities, systems, or accounts beyond the limited number of Kabbage accounts identified in Kabbage's investigation. Enclosed is a sample copy of the notification letter which will be sent to the affected individuals, including the individual residing in New Hampshire, on or about February 13, 2020.

Please contact Sarah Paul should you have any questions at sarahpaul@eversheds-sutherland.com or by phone at 212-301-6587.

Regards,

Sarah Paul
Partner
Eversheds Sutherland (US) LLP

Enclosure



February 13, 2020

[Addressee Name]
[Addressee Address 1]
[Addressee Address 2]
[Addressee Address 2]
[City], [State] [Zip]

Notice of Security Incident

Dear [Addressee Name],

Kabbage, Inc. (Kabbage) is committed to protecting the privacy of the information we collect from you in connection with your Kabbage Funding™ small business line of credit. That is why, as a precaution, we are writing to you about a security incident that may have affected your personal information. Below you will find information about the incident, the steps we are taking to protect your information, and the steps you may want to consider taking to do the same.

What Happened

On January 13, 2020, we detected a number of suspicious attempts to log-in to certain Kabbage customer accounts. Based on our investigation, there is no indication that Kabbage's network was compromised as part of this incident. The perpetrators used username and password combinations obtained from a source not associated with Kabbage in order to attempt to access Kabbage accounts. In a small number of instances, the perpetrators were successful in gaining access to Kabbage accounts, including your account, through the use of valid usernames and passwords obtained from that source. As a result, personal information contained in your account may have been subject to unauthorized access. We do not have any evidence of fraudulent activity in your account.

What You Can Do

You may want to consider taking certain steps to guard against possible identity theft or fraud, especially if you use the same username and password for other accounts. Please review the enclosed information about identity theft protection. Additionally, we encourage you to change the password for any other accounts that use the same password and to use a unique password for your Kabbage account and any other online accounts you maintain.

What Information Was Involved

The perpetrators received confirmation of a match of valid username and password combinations. Based on our review, we believe the information accessible through your account may include certain personal information about you, such as, [your name, address, phone number, date of birth, Social Security number, and bank account information].

What We Are Doing

We disabled your password to block access to your account, and we sent you an email with instructions for resetting your password. If you have not received this email, please call us at 888-986-8263. We have also enhanced our authentication process, adding an extra layer of security. In addition, we have arranged for a complimentary 12-month membership for Experian's® IdentityWorksSM. This product provides you with identity detection and resolution of identity theft. While Experian Identity Restoration assistance is immediately available to you, we also encourage you to activate the fraud detection tools available through Experian IdentityWorks. To activate your membership and start monitoring your personal information please follow the steps below:

- Ensure that you **enroll by: February 4, 2021** (Your code will not work after this date.)
- **Visit** the Experian IdentityWorks website to enroll:
<https://www.experianidworks.com/3bplus>
- Provide your **activation code: [code]**

If you have questions about the product, need assistance with identity restoration or would like an alternative to enrolling in Experian's IdentityWorks online, please contact Experian's customer care team at 1-877-890-9332 by **February 4, 2021**. Be prepared to provide engagement number **DB17811** as proof of eligibility for the identity restoration services by Experian.

Please do not share this information as these links are exclusive to you and your account.

Should Kabbage need to call you about this issue, we will reference the engagement number noted above. If you receive any inquiries by phone, email, or social media claiming to be related to this incident and not referencing the engagement number, they are not from Kabbage, and you should not provide any personal information in response or click on any links in such email or social media messages.

For More Information

We wanted you to know the nature and extent of this incident and to make you aware of the steps we are taking to protect your information. Again, we encourage you to use the identity theft protection services described above, which are provided at no cost to you. If you have questions about anything contained in this letter, please contact us by phone at 1-888-986-8263, by email at support@kabbage.com, or by mail at 925B Peachtree Street NE, Suite 1688, Atlanta, GA 30309.

Sincerely,



Rob Frohwein
CEO and Chairman
Kabbage, Inc.

Information about Identity Theft Protection

We recommend that you regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies. You may obtain a free copy of your credit report online at www.annualcreditreport.com, by calling toll-free 1-877-322-8228, or by mailing an Annual Credit Report Request Form (available at www.annualcreditreport.com) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA, 30348-5281. You may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below.

Equifax: P.O. Box 740241, Atlanta, Georgia 30374-0241, 1-800-685-1111, www.equifax.com

Experian: P.O. Box 9532, Allen, TX 75013, 1-888-397-3742, www.experian.com

TransUnion: P.O. Box 1000, Chester, PA 19022, 1-800-888-4213, www.transunion.com

When you receive your credit reports, review them carefully. Look for accounts or creditor inquiries that you did not initiate or do not recognize. Look for information, such as home address and Social Security number, that is not accurate. If you see anything you do not understand, call the credit reporting agency at the telephone number on the report.

We recommend you remain vigilant with respect to reviewing your account statements and credit reports and promptly report to us any suspicious activity or suspected identity theft relating to your Kabbage account. We also recommend that you promptly report any suspicious activity or suspected identity theft to the proper law enforcement authorities, including local law enforcement, your state's attorney general and/or the Federal Trade Commission (FTC). You may contact the FTC or your state's regulatory authority to obtain additional information about avoiding identity theft.

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

For residents of Maryland: You may also obtain information about preventing and avoiding identity theft from the Maryland Office of the Attorney General: Maryland Office of the Attorney General, Consumer Protection Division 200 St. Paul Place, Baltimore, MD 21202, 1-888-743-0023, www.oag.state.md.us.

For residents of Massachusetts: If you are a Massachusetts resident, you also have a right to request a police report about this incident, and there is no charge for a security freeze.

For residents of North Carolina: You may also obtain information about preventing and avoiding identity theft from North Carolina Attorney General's Office: North Carolina Attorney General's Office, Consumer Protection Division, 9001 Mail Service Center, Raleigh, NC 27699-9001, 1-877-5-NO-SCAM, www.ncdoj.gov.

Fraud Alerts: There are also two types of fraud alerts that 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 at least 90 days. You may have an extended alert placed on your credit report if you have already been a victim of identity theft with the appropriate documentary proof. An extended fraud alert stays on your credit report for 7 years. You can place a fraud alert on your credit report by calling the toll-free fraud number of any of the three national credit reporting agencies listed below.

Equifax: 1-888-766-0008, www.equifax.com
Experian: 1-888-397-3742, www.experian.com
TransUnion: 1-800-680-7289, fraud.transunion.com

Credit Freezes: You may have the right to put a credit freeze, also known as a security freeze, on your credit file, so that no new credit can be opened in your name without the use of a PIN number that is issued to you when you initiate a freeze. A credit freeze is designed to prevent potential credit grantors from accessing your credit report without your consent. If you place a credit freeze, potential creditors and other third parties will not be able to get access to your credit report unless you temporarily lift the freeze. Therefore, using a credit freeze may delay your ability to obtain credit. In addition, you may incur fees to place, lift and/or remove a credit freeze. Credit freeze laws vary from state to state. The cost of placing, temporarily lifting, and removing a credit freeze also varies by state, generally \$5 to \$20 per action at each credit reporting company. *Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.* Since the instructions for how to establish a credit freeze differ from state to state, please contact the three national credit reporting agencies as specified below to find out more information:

Equifax: P.O. Box 105788, Atlanta, GA 30348, www.equifax.com
Experian: P.O. Box 9554, Allen, TX 75013, www.experian.com
TransUnion: P.O. Box 2000, Chester, PA, 19022-2000, freeze.transunion.com

You can obtain more information about fraud alerts and credit freezes by contacting the FTC or one of the three national credit reporting agencies listed above.

The following information should be included when requesting a security freeze (documentation for you and your spouse must be submitted when freezing a spouse's credit report): full name, with middle initial and any suffixes; Social Security number; date of birth (month, day, and year); current address and previous addresses for the past 5 years; and applicable fee (if any) or incident report or complaint with a law enforcement agency or the Department of Motor Vehicles. The request should also include a copy of a government-issued identification card, such as a driver's license, state, or military ID card, and a copy of a utility bill, bank, or insurance statement. Each copy should be legible, display your name and current mailing address, and the date of issue (statement dates must be recent). The credit reporting company may charge a reasonable fee of up to \$5 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse of a victim of identity theft, and have submitted a valid police report relating to the identity theft to the credit reporting company.

ADDITIONAL DETAILS REGARDING YOUR 12-MONTH EXPERIAN IDENTITYWORKS MEMBERSHIP:

A credit card is **not** required for enrollment in Experian IdentityWorks.

You can contact Experian **immediately** regarding any fraud issues and have access to the following features once you enroll in Experian IdentityWorks:

- **Experian credit report at signup:** See what information is associated with your credit file. Daily credit reports are available for online members only.*
- **Credit Monitoring:** Actively monitors Experian, Equifax, and TransUnion files for indicators of fraud.
- **Internet Surveillance:** Technology searches the web, chat rooms, and bulletin boards 24/7 to identify trading or selling of your personal information on the Dark Web.
- **Identity Restoration:** Identity Restoration specialists are immediately available to help you address credit and non-credit related fraud.
- **Experian IdentityWorks ExtendCARE™:** You receive the same high-level of Identity Restoration support even after your Experian IdentityWorks membership has expired.
- **Up to \$1 Million Identity Theft Insurance**:** Provides coverage for certain costs and unauthorized electronic fund transfers.

If you believe there was fraudulent use of your information and would like to discuss how you may be able to resolve those issues, please reach out to an Experian agent at 1-877-890-9332. If, after discussing your situation with an agent, it is determined that Identity Restoration support is needed, then an Experian Identity Restoration agent is available to work with you to investigate and resolve each incident of fraud that occurred (including, as appropriate, helping you with contacting credit grantors to dispute charges and close accounts; assisting you in placing a freeze on your credit file with the three major credit bureaus; and assisting you with contacting government agencies to help restore your identity to its proper condition).

Please note that this Identity Restoration support is available to you for 12-months from the date of this letter and does not require any action on your part at this time. The Terms and Conditions for this offer are located at www.ExperianIDWorks.com/restoration. You will also find self-help tips and information about identity protection at this site.

* Offline members will be eligible to call for additional reports quarterly after enrolling.

** The Identity Theft Insurance is underwritten and administered by American Bankers Insurance Company of Florida, an Assurant company. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.