



Phillip Capital, Inc.
141 W. Jackson Blvd.
Suite 1531A
Chicago, IL 60604

SEAL
NH
DEPT. OF JUSTICE

2019 FEB 25 P 2:26

February 22, 2019

Via Certified Mail

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

Re: Security Incident

Dear Attorney General MacDonald:

We write to inform the New Hampshire Office of the Attorney General of a compromise to our systems. While we have no evidence that this event resulted in a “security breach” with respect to the personal information of any individuals, out of an abundance of caution we have sent notifications to approximately twenty-one (21) New Hampshire residents and are providing this notification to you as a courtesy.

On February 28, 2018, Phillip Capital Inc. (“**Phillip Capital**”) received a phishing email from a third-party vendor. Phillip Capital responded to this phishing email by logging onto what we believed was the vendor’s legitimate platform. This enabled the attacker to access a few of our employees’ email accounts before we discovered the incident and cut off all unauthorized access. It appears the goal was to identify corporate clients that frequently made large wire requests and to impersonate such clients to redirect large wires to offshore bank accounts controlled by the attacker.

At that time, we believed that only two corporate customers were affected by the breach. Although we have no evidence to date that any individual client’s personal information was compromised, in hindsight we believe we could have conducted a more extensive investigation, and as a precaution, we are currently contacting all our customers as we cannot be certain that personal data of our customers in the affected email accounts was not accessed by the attacker.

Personal data was contained in the compromised email accounts, and may have been compromised as a result. This information may have included, but was not necessarily limited to, the following: (i) name; (ii) address; (iii) telephone number; (iv) email address; (v) social security number; (vi) trading account number(s); (vii) banking information; (viii) wire instructions; and (ix) other information that individuals may have provided through email to or from Phillip Capital.



Phillip Capital has since implemented additional protections and controls to mitigate the risk of future breaches, including strengthening password policies, enhancing business processes, and expanding use of multifactor authentication. We have contacted and are cooperating with U.S. and international law enforcement authorities. Phillip Capital is fully committed to providing all our clients with a secure and safe data platform, identifying and enacting proactive improvements as needed.

Phillip Capital also has engaged Experian to provide identity theft protection and credit monitoring services for 12 months at no cost to potentially affected individuals.

If you have any questions, you may contact Janet Goodridge, Phillip Capital's Chief Compliance Officer, at (312) 374-2453 or by email at futcompliance@phillipcapital.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynette Lim', written over a thin horizontal line.

Lynette Lim, Director & Co-CEO