



November 26, 2018

NOTICE OF POTENTIAL DATA BREACH

Prosper is contacting you to inform you that, regretfully, some of your personal information may have been accessed by an unauthorized intruder into Prosper's network. We wanted to give you information about what happened and how we are prepared to help in response. Before we do this, we also want to apologize.

What Happened?

On or about October 15, 2018, we were informed that investors with whom we have conducted business may have received suspicious email messages from a Prosper email address. We immediately sent an email to you to notify you that the emails were not sent by Prosper and to provide directions on how to protect yourself against potential fraud. We also immediately engaged a third-party cybersecurity forensics firm to investigate the issue. Based on our investigation, we have determined that an unauthorized third party may have gained access to your personal information. We do not have evidence that any of that information has been misused.

What Information Was Involved?

The types of data potentially impacted include name, address, Social Security number, financial account information, including bank account information, and government identification information.

We collect this information from investors for the purposes of establishing and supporting investor accounts and investments.

What We Are Doing.

Prosper takes the security and privacy of our customers very seriously, and we are taking immediate steps to review our security policies and procedures, and to implement additional security measures as appropriate. Prosper reported this matter to law enforcement, and we have offered our full cooperation. In addition to sending you an earlier email on the steps you can take to protect yourself from fraud, we are also offering you a complimentary one-year membership to Experian's® IdentityWorks credit monitoring and identity theft detection services. Please see below for more information on how you can enroll in those services and steps you can take to protect yourself.

What You Can Do.

In addition to enrolling in a free year of credit monitoring and identity theft protection services, we encourage you to consider taking the following precautions:

- We urge you to remain vigilant against threats of identity theft or fraud, and to regularly review and monitor your account statements and credit history for any signs of unauthorized transactions or activity.
- If you suspect you are the victim of identity theft or fraud, you have the right to file a report with the police or law enforcement. In addition, you may contact the FTC or your state attorney general to learn more about the steps you can take to protect yourself against identity theft. Attachment B below has more information about steps you can take to protect yourself against identity theft or fraud.
- Be alert for “phishing” emails by someone who acts like they know you and requests sensitive information over email, such as passwords, Social Security numbers, or bank account information.

For More Information.

If you would like more information, please call (877) 726-1014 or visit www.experianidworks.com/3bcredit.

To Enroll in Experian’s IdentityWorks.

To activate the Experian’s IdentityWorks membership that is being offered to you and start monitoring your personal information, please follow the steps below:

- Ensure that you enroll by: February 28, 2019
- Visit the Experian IdentityWorks website to enroll: www.experianidworks.com/3bcredit
- 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 IdentityWorks online, please contact Experian’s customer care team at (877) 726-1014 by February 28, 2019. Be prepared to provide engagement number **[ENGAGEMENT #]** as proof of eligibility for the identity restoration services by Experian. Additional information regarding Experian’s IdentityWorks offering is available on Attachment A below.

ATTACHMENT A

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 file for indicators of fraud.
- Identity Restoration: Identity Restoration agents 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 (877) 726-1014. 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 one year from the date of this email 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.*

*** Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.*

ATTACHMENT B

ADDITIONAL INFORMATION TO PROTECT YOURSELF

To protect against possible fraud, identity theft or other financial loss, we encourage you to remain vigilant, to review your account statements and to monitor your credit reports. Provided below are the names and contact information for the three major U.S. credit bureaus and additional information about steps you can take to obtain a free credit report and place a fraud alert or security freeze on your credit report. If you believe you are a victim of fraud or identity theft you should consider contacting your local law enforcement agency, your state's attorney general, or the Federal Trade Commission.

INFORMATION ON OBTAINING A FREE CREDIT REPORT

U.S. residents are entitled under U.S. law to one free credit report annually from each of the three major credit bureaus. To order your free credit reports, visit www.annualcreditreport.com or call toll-free (877) 726-1014.

INFORMATION ON IMPLEMENTING A FRAUD ALERT OR SECURITY FREEZE

Consider contacting the three major credit bureaus at the addresses below to place a fraud alert on your credit report. A fraud alert indicates to anyone requesting your credit file that you suspect you are a possible victim of fraud. A fraud alert does not affect your ability to get a loan or credit. Instead, it alerts a business that your personal information might have been compromised and requires that business to verify your identity before issuing you credit. Although this may cause some short delay if you are the one applying for the credit, it might protect against someone else obtaining credit in your name.

A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit, mortgages, employment, housing or other services.

If you have been a victim of identity theft, and you provide the credit reporting agency with a valid police report, it cannot charge you to place, lift or remove a security freeze. In all other cases, a credit reporting agency may charge you up to \$10.00 each to place, temporarily lift, or permanently remove a security freeze.

To place a fraud alert or security freeze on your credit report, you must contact the three credit bureaus below:

Equifax: Consumer Fraud Division P.O. Box 740256 Atlanta, GA 30374 (888) 766-0008 www.equifax.com	Experian: Credit Fraud Center P.O. Box 9554 Allen, TX 75013 (888) 397-3742 www.experian.com	TransUnion: TransUnion LLC P.O. Box 2000 Chester, PA 19022-2000 (800) 680-7289 www.transunion.com
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To request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);
2. Social Security Number;
3. Date of birth;
4. If you have moved in the past five (5) years, the addresses where you have lived over those prior five years;
5. Proof of current address such as a current utility bill or telephone bill;
6. A legible photocopy of a government-issued identification card (state driver's license or ID card, military identification, etc.);
7. If you are a victim of identity theft, a copy of either a police report, investigative report, or complaint to a law enforcement agency concerning identity theft; and
8. If you are not a victim of identity theft, payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

You may also contact the U.S. Federal Trade Commission ("FTC") for further information on fraud alerts, security freezes, and how to protect yourself from identity theft. The FTC can be contacted at 400 7th St. SW, Washington, DC 20024; telephone (877) 382-4357; or www.consumer.gov/idtheft.

ADDITIONAL RESOURCES

Your state attorney general may also have advice on preventing identity theft, and you should report instances of known or suspected identity theft to law enforcement, your state attorney general, or the FTC.

Maryland Residents: The Attorney General can be contacted at Office of Attorney General, 200 St. Paul Place, Baltimore, MD 21202; (888) 743-0023; or www.oag.state.md.us.

North Carolina Residents: The Attorney General can be contacted at 9001 Mail Service Center, Raleigh, NC 27699-9001; (919) 716-6400; or www.ncdoj.gov.

New Mexico Residents: You have rights under the federal Fair Credit Reporting Act (FCRA), which governs the collection and use of information pertaining to you by consumer reporting agencies. For more information about your rights under the FCRA, please visit www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf or www.ftc.gov.

Rhode Island Residents: The Attorney General can be contacted at 150 South Main Street, Providence, RI 02903; (401) 274-4400; or www.riag.ri.gov. You may also file a police report by contacting local or state law enforcement agencies.

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