



TRANSCEND  
CAPITAL

ATTORNEY GENERAL  
2012 SEP 17 AM 11:12

Iowa Attorney General  
Consumer Protection Division  
1305 E. Walnut Street  
Des Moines IA 50319

Dear Sir or Madam,

I am writing to inform you of a data breach that affected 8 clients in your state that took place the week August 20, 2012. An unknown computer hacker breached a data server located in our Austin, Texas branch office. Transcend Capital takes the security of our client data extremely seriously, and as such has taken steps to mitigate any risk to clients concerning this breach of data.

Our IT staff has taken appropriate measures to ensure that this will not happen again. Specifically, the server port accessed has been disabled on our external fire wall. All passwords have been changed for every server on the network. Additionally, the firm is researching additional tracing tools that could be implemented to help prevent future intrusions.

While we have no reason to believe any client data was accessed, and at this point it seems unlikely that any data was accessed, we have notified all clients in writing that may have been potentially affected by this breach out of an abundance of caution. Client account data such as name, social security number, address, account number, telephone number, email address, security positions and cash positions were contained on the compromised server. Additionally, we have encouraged clients to change their passwords and to sign up for a credit monitoring service as precautionary measures.

Should you have additional questions regarding this letter, our Compliance Department can be reached at 512-402-6647 or [compliance@transcendcapital.com](mailto:compliance@transcendcapital.com).

Sincerely,

James Kupfer  
Chief Compliance Officer  
Transcend Capital, LLC

RECEIVED  
12 SEP 17 PM 12:08  
CONSUMER PROTECTION DIV.



TRANSCEND  
CAPITAL

Dear Client,

We are writing to inform you that a Transcend Capital computer containing client data was recently compromised by an unknown party. Although we have specific reason to believe that your data was not accessed, we have decided out of an abundance of caution to alert you to the possibility that your data may have been breached. The compromised computer contained account information such as your account number, name, address, tax ID number and a limited amount of other account-related data.

Transcend has corrected the issue that allowed the computer intrusion to occur and has taken additional measures to prevent this from reoccurring. We have notified state and federal law enforcement officials of this incident and are working with them to the fullest extent possible to investigate this crime.

Our staff is aware of this incident and will be on the lookout for any suspicious activity related to your account. Additional security measures have been implemented in an effort to assure that Transcend is validating client identities when conducting day to day business. No password data was stored on the compromised computer, but we recommend that you change your account password(s) as an additional security measure.

You have the right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it. Additionally, you are able to place a security freeze on your credit report. 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 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 monitoring agency 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 \$5.00 each to place, temporarily lift or permanently remove a security freeze.

To place a security freeze on your credit report, you must send a written request to each of the three major consumer reporting agencies: Equifax ([www.equifax.com](http://www.equifax.com)); Experian ([www.experian.com](http://www.experian.com)); and TransUnion ([www.transunion.com](http://www.transunion.com)) by regular, certified or overnight mail at the addresses below.

Equifax Security Freeze  
P.O. Box 105788  
Atlanta, GA 30348

Experian Security Freeze  
P.O. Box 9554  
Allen, TX 75013

Trans Union Security Freeze  
Fraud Victim Assistance Dept  
P.O. Box 6790  
Fullerton, CA 92834

In order 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 etc...);
2. Social Security Number;
3. Date of Birth;
4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;

5. Proof of current address such 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 not a victim of identity theft, include payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail. The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureau must also send written confirmation to you within 5 (5) business days and provide you with a unique personal identification number (PIN) or password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include the proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identifies of those entities or individuals you would like to receive your credit report or specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for the those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to the three credit reporting agencies by mail and include the proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit reporting agencies have three (3) business days after receiving your request to remove the security freeze.

Please use the following resources to obtain information on steps you can take to avoid identity theft:

The Federal Trade Commission  
<http://www.ftc.gov/index.shtml>  
877-438-4338

Transcend is committed to maintaining the highest levels of security for your data and we are conducting a review of the firm's security policies, procedures and practices to help ensure that this type of breach does not occur again. We sincerely apologize for any inconvenience this may cause you.

If you have any further questions regarding this situation, please contact our Compliance department at 512-623-7774.

Sincerely,



James Kupfer  
Chief Compliance Officer