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March 12, 2018

VIA ELECTRONIC MAIL

Attorney General Brian E. Frosh
Office of the Attorney General
Identity Theft Unit
200 St. Paul Place
Baltimore, MD 21202
Idtheft@oag.state.md.us

Dear Attorney General Frosh:

We represent Southpoint Financial Services (“Southpoint”) with respect to a recent incident involving the potential exposure of certain personally identifiable information described in more detail below. Southpoint is a mortgage company located in Alpharetta Georgia.

1. Nature of security incident.

Southpoint was recently notified about suspicious activity related one of its email accounts. Out of an abundance of caution, Southpoint hired a computer forensics firm to determine whether any Southpoint email accounts had been compromised. On January 31, 2018, that forensic analysis was completed and the investigator notified Southpoint that a small number of Southpoint email inboxes had been compromised. These email accounts contained information that may have included clients’ names, addresses, Social Security numbers, driver’s license numbers and bank account information.

2. Number of Maryland residents affected.

Five (5) Maryland residents were notified of the incident. A notification letter was sent to the affected individuals on Monday, March 12, 2018 via regular mail (a copy of the form notification letter is enclosed).

3. Steps taken or plan to take relating to the incident.

Steps have been taken to help prevent a similar occurrence in the future. Passwords to all Southpoint accounts were changed and the compromised server was secured. Furthermore, additional software protections have been installed to prevent unauthorized access to Southpoint email systems. Finally, affected individuals were offered credit monitoring and identity

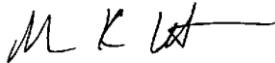
restoration services free of charge for one year through Kroll.

4. Contact information.

Southpoint remains dedicated to protecting the confidential information in its possession. If you have any questions or need additional information, please do not hesitate to contact me at MVentrone@ThompsonCoburn.com or (312) 580-2219.

Very truly yours,

Thompson Coburn LLP

A handwritten signature in black ink, appearing to read "M K Ventrone", with a horizontal line extending to the right.

Melissa K. Ventrone

Enclosure



<<Date>> (Format: Month Day, Year)

<<MemberFirstName>> <<MemberMiddleName>> <<MemberLastName>> <<NameSuffix>>
<<Address1>>
<<Address2>>
<<City>>, <<State>> <<ZipCode>>

Notice of Security Incident

Dear <<MemberFirstName>> <<MemberLastName>>,

We are writing to inform you of a data security incident experienced by Southpoint Financial Services ("Southpoint") that may have resulted in the exposure of your personal information, including your name, address, and Social Security number. This security incident involved the compromise of a limited number of Southpoint email accounts and their contents. We value and respect the privacy of your information, and we sincerely apologize for any concern or inconvenience this may cause you. This letter contains information about steps you can take to protect your information, and resources we are making available to help you.

1. What happened and what information was involved:

Southpoint was recently notified about suspicious activity related one of its email accounts. Out of an abundance of caution, we hired a computer forensics firm to determine whether any Southpoint email accounts had been compromised. On January 31, 2018, that forensic analysis was completed and the investigator notified us that a small number of Southpoint email inboxes had been compromised. These email accounts contained information that may have included your name, address, Social Security number, driver's license number and bank account information.

2. What we are doing and what you can do:

While there is no indication your information has been misused, out of an abundance of caution, we have secured the services of Kroll to provide identity monitoring at no cost to you for one year. Kroll is a global leader in risk mitigation and response, and their team has extensive experience helping people who have sustained an unintentional exposure of confidential data. Your identity monitoring services include Credit Monitoring, Fraud Consultation, and Identity Theft Restoration. We recommend you respond promptly to any indications of identity theft, and utilize Kroll services.

Visit **krollbreach.idMonitoringService.com** to activate and take advantage of your identity monitoring services.

*You have until **June 11, 2018** to activate your identity monitoring services.*

Membership Number: <<Member ID>>

To receive credit services by mail instead of online, please call 1-800-847-7297.

More information about protecting your identity is included in this letter, including recommendations by the Federal Trade Commission regarding identity theft protection and details on how to place a fraud alert or a security freeze on your credit file.

We want to assure you that we are taking steps to prevent this kind of event from happening in the future, including resetting all Southpoint passwords and implementing new security measures on our email accounts designed to prevent this sort of incident. We have also reviewed and improved our internal password policies and retrained employees related to email account security.

3. For more information:

If you have any questions or concerns, please call 1-800-847-7297 Monday through Friday from 9 a.m. – 6 p.m. ET, Monday through Friday, excluding major holidays. Your trust is a top priority for Southpoint, and we deeply regret any inconvenience or concern that this matter may cause you.

Sincerely,

A handwritten signature in black ink, appearing to read "John Perry", with a stylized flourish at the end.

John Perry
President

U.S. State Notification Requirements

For residents of Hawaii, Michigan, Missouri, Virginia, Vermont, and North Carolina:

It is recommended by state law that you remain vigilant for incidents of fraud and identity theft by reviewing credit card account statements and monitoring your credit report for unauthorized activity.

For residents of Illinois, Iowa, Maryland, Missouri, North Carolina, Oregon, and West Virginia:

It is required by state laws to inform you that you may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account. You may obtain a free copy of your credit report by contacting any one or more of the following national consumer reporting agencies:

Equifax

P.O. Box 105139
Atlanta, GA 30374
1-800-685-1111
www.equifax.com

Experian

P.O. Box 2002
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion

P.O. Box 6790
Fullerton, CA 92834
1-800-916-8800
www.transunion.com

You may also 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.

For residents of Iowa:

State law advises you to report any suspected identity theft to law enforcement or to the Attorney General.

For residents of Oregon:

State laws advise you to report any suspected identity theft to law enforcement, as well as the Federal Trade Commission.

For residents of Maryland, Illinois, North Carolina, and Rhode Island:

You can obtain information from the Maryland, North Carolina, and Rhode Island Offices of the Attorneys General and the Federal Trade Commission about fraud alerts, security freezes, and steps you can take toward preventing identity theft.

Maryland Attorney General

Consumer Protection Div.
200 St. Paul Place
Baltimore, MD 21202
1-888-743-0023
www.oag.state.md.us

North Carolina Attorney General

Consumer Protection Div.
9001 Mail Service Center
Raleigh, NC 27699-9001
1-877-566-7226
www.ncdoj.com

Rhode Island Attorney General

Consumer Protection Div.
150 South Main Street
Providence, RI 02903
(401) 274-4400
www.riag.ri.gov

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
www.identityTheft.gov

For residents of Massachusetts:

It is required by state law that you are informed of your right to obtain a police report if you are a victim of identity theft.

For residents of all states:

Fraud Alerts: You can place fraud alerts with the three credit bureaus at one of the three major credit bureaus by phone and also via Experian's or Equifax's website. A fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit. The contact information for all three credit bureaus is below.

Monitoring: You should always remain vigilant and monitor your accounts for suspicious or unusual activity.

Security Freeze: You also have the right to place a security freeze on your credit report. A security freeze is intended to prevent credit, loans and services from being approved in your name without your consent. To place a security freeze on your credit report, you need to send a request to each consumer reporting agency by certified mail, overnight mail, or regular stamped mail. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse, this information must be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or complaint with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. The consumer reporting agency may charge a fee of up to \$5.00 to place a freeze or lift or remove a freeze, but is free if you are a victim of identity theft or the spouse of a victim of identity theft, and you have submitted a valid police report relating to the identity theft incident to the consumer reporting agencies:

Equifax Security Freeze

P.O. Box 105788
Atlanta, GA 30348
www.equifax.com

Experian Security Freeze

P.O. Box 9554
Allen, TX 75013
<http://www.experian.com/freeze>

TransUnion (FVAD)

P.O. Box 2000
Chester, PA 19022
www.transunion.com

More information can also be obtained by contacting the Federal Trade Commission listed above.



TAKE ADVANTAGE OF YOUR IDENTITY MONITORING SERVICES

You've been provided with access to the following services¹ from Kroll:

Single Bureau Credit Monitoring

You will receive alerts when there are changes to your credit data—for instance, when a new line of credit is applied for in your name. If you do not recognize the activity, you'll have the option to call a Kroll fraud specialist, who can help you determine if it's an indicator of identity theft.

Fraud Consultation

You have unlimited access to consultation with a Kroll fraud specialist. Support includes showing you the most effective ways to protect your identity, explaining your rights and protections under the law, assistance with fraud alerts, and interpreting how personal information is accessed and used, including investigating suspicious activity that could be tied to an identity theft event.

Identity Theft Restoration

If you become a victim of identity theft, an experienced Kroll licensed investigator will work on your behalf to resolve related issues. You will have access to a dedicated investigator who understands your issues and can do most of the work for you. Your investigator can dig deep to uncover the scope of the identity theft, and then work to resolve it.

¹ Kroll's activation website is only compatible with the current version or one version earlier of Internet Explorer, Chrome, Firefox, and Safari. To receive credit services, you must be over the age of 18 and have established credit in the U.S., have a Social Security number in your name, and have a U.S. residential address associated with your credit file.