

December 27, 2013

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New Hampshire Department of Justice
Office of the Attorney General
33 Capitol Street
Concord, NH 03302

To Whom It May Concern:

We represent KTM North America, Inc. ("KTM) with respect to a security incident involving the potential exposure of certain limited personal information described in detail below. KTM takes the security of the information in its control very seriously. Accordingly, it has taken steps to identify individuals whose personal information may have been exposed in the incident, and provide appropriate services to them including recovery services, credit monitoring, educational materials, and access to fraud resolution representatives. At present, there is no indication that the information has been misused or further disclosed. KTM also has taken steps to prevent this type of incident from occurring in the future.

1. Nature of security incident.

KTM offers demo rides in select cities. In order to participate in these demo rides, riders are required to complete a waiver form and submit a copy of their driver's license. On October 9, 2013, KTM learned that a third party vendor may have mistakenly posted a link to a file containing the personal information of some of its customers on an external website.

The file contained information provided to KTM via the waiver, and may have included the name, driver's licenses number, date of birth, gender and a copy of the individual's driver's license. The file did not contain any Social Security numbers as KTM does not collect this information on its waiver forms. Once KTM discovered this event, it immediately removed the link from the webpage.

2. Number of New Hampshire residents affected.

Thirty (30) New Hampshire residents were affected by the security incident. Notification letters to these individuals were mailed on December 27, 2013. A copy of the notification letter is included with this letter.

3. Steps taken in response.

KTM immediately removed the link to the file in order to protect the personal information. KTM also took steps to prevent this type of event from happening again including the review and enhancement of its security protocols, and reviewing and revising its policies that apply to third-party vendors.

KTM has partnered with Kroll Advisory Solutions, a breach response vendor, to provide Continuous Credit Monitoring and Enhanced Identity Theft Consultation and restoration services for one year at no cost to the individual.

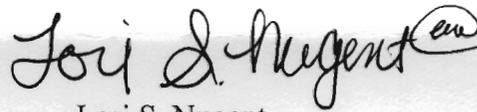
Notification has also been provided to the credit reporting agencies.

4. Contact information.

If you have any additional questions, please contact me at lori.nugent@wilsonelser.com, or (312) 821-6177.

Very truly yours,

WILSON, ELSER, MOSKOWITZ, EDELMAN & DICKER LLP

A handwritten signature in black ink that reads "Lori S. Nugent" with a stylized "en" in a circle at the end.

Lori S. Nugent

cc: Melissa K. Ventrone, Wilson Elser



Your membership number is: <<MEMBERSHIPNUMBER>>

Go to www.idintegrity.com to start your credit monitoring

Call 1-855-330-6364 if you need help or have questions

8 a.m. to 5 p.m. (Central Time), Monday through Friday

To receive credit monitoring, 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.

<<Firstname>> <<Middlename>> <<Lastname>>

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

<<Address1>>

<<Address2>>

<<City>>, <<Stateprovince>> <<Postalcode>>

<<Intelligent Mail Barcode>>

Dear <<Firstname>> <<Middlename>> <<Lastname>>,

We are writing to let you know about a security incident that may have resulted in the disclosure of your first and last name, address, driver's license number, date of birth, e-mail address, phone number and fax number. On October 9, 2013, we learned that a third party vendor for KTM North America, Inc. ("KTM") may have mistakenly posted a link to a file containing some of your information on an external website. At this time, we are not aware of any misuse of your personal information. We take the security of your information very seriously, and sincerely apologize for any inconvenience this may cause you.

KTM offers demo rides in select cities. In order to participate in these demo rides, riders are required to complete a waiver form and submit a copy of their driver's license. On October 9, 2013, we learned that one of our third-party vendors mistakenly posted a link to a file that may have contained some of your personal information described above. The file contained information provided to KTM via the waiver, and may have included a copy of your driver's license. The file did not contain your Social Security number as KTM does not collect this information on its waiver forms. Once KTM discovered this event, it immediately removed the link from the webpage.

We want to make you aware of this incident even though we believe it is unlikely that your information will be misused. We want to also assure you we have taken steps to prevent this type of event from happening again including the review and enhancement of our security protocols, and reviewing and revising our policies that apply to third-party vendors.

We take the security and privacy of information in our control very seriously. Although it is unlikely that your information has been or will be misused, in an abundance of caution, we have hired Kroll Advisory Solutions to provide identity safeguards and other services at no cost to you for one year through its ID TheftSmart program. Your safeguards include Continuous Credit Monitoring and Enhanced Identity Theft Consultation and restoration. Instructions on how to receive your services are attached.

If you have any questions regarding this incident, Kroll's experts are standing by to assist you Monday through Friday from 8 a.m. to 5 p.m. Central Time, and can be reached by calling toll-free (855) 330-6364.

Sincerely,

Werner Kastenaer, Chief Financial Officer
KTM North America, Inc.

State Notification Requirements

All States.

You may obtain a copy of your credit report or request information on how to place a fraud alert or security freeze by contacting any of the national credit bureaus below. It is recommended 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.

Equifax

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

Experian

P.O. Box 2104
Allen, TX 75013
1-888-397-3742
www.experian.com

TransUnion

P.O. Box 2000
Chester, PA 19022
1-800-888-4213
www.transunion.com

For residents of Iowa, Maryland, Michigan, 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.

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 Illinois, Maryland and North Carolina.

You can obtain information from the Maryland and North Carolina Offices of the Attorneys General and the Federal Trade Commission about steps you can take toward preventing identity theft.

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

North Carolina Office of the Attorney General

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

Federal Trade Commission Consumer Response Center

600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-IDTHEFT (438-4338)
www.ftc.gov/bcp/edu/microsites/idtheft/

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 Massachusetts and West Virginia.

You also have the right to place a security freeze on your credit report by contacting any of the credit bureaus listed at the top of this page. 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 may be able to use an online process, an automated telephone line or a written request. 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 and 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 agency.