



November 11, 2011

NH Department of Justice  
33 Capitol Street  
Concord, NH 03301

Dear Sirs,

I am writing today to inform you of a data breach that affected 1 client in your state that took place on October 31st and occurred in our Dallas 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.

The breach of security occurred when an employee at one of our branch offices stepped out of his office briefly and a laptop was stolen from his office. Contrary to firm policy, the laptop was not locked or encrypted at the time of its theft. The employee contacted the home office within minutes of the theft and followed by contacting the police department to report the loss.

While we have no reason to believe any client data was accessed, we have notified all clients that may have been potentially affected by this breach. For the vast majority of clients only their name and account number at our firm were potentially compromised, and we have taken steps to change their account numbers in the coming weeks as well as monitor their accounts for any suspicious activity. For the few clients whose social security number may have been potentially compromised; we have reached out and offered them a year of credit monitoring service at the firms cost in addition to taking steps to change their account number at our firm.

To remedy and prevent this situation from occurring again the branch office has been required to secure laptops to their desk with a locking cable. Additionally all branch offices have been reminded of the firm policy regarding encryption and password protection of all electronic devices.

Sincerely,

A handwritten signature in black ink, appearing to read "James Kupfer", written over a horizontal line.

James Kupfer  
Chief Compliance Officer  
Transcend Capital, LLC