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OFFICE OF CONSUMER PROTECTION
INVESTIGATIONS

Scottrade, Inc.

700 Maryville Centre Drive

St. Louis, MO 63141

Scottrade

October 1, 2015

Department of Commerce and Consumer Affairs
Office of Consumer Protection
Leiopapa A Kamehameha Building
235 South Beretania Street, Suite 801
Honolulu, Hawaii 96813

To Whom It May Concern:

I am writing on behalf of Scottrade to inform you of a data security incident that may have affected the contact information of approximately 4.6 million Scottrade clients, including approximately 32,778 accounts associated with a Hawaii address.

Federal law enforcement officials informed Scottrade in late August that they were investigating cybersecurity crimes involving the theft of information from Scottrade and other financial services companies, and on August 26, 2015, provided certain evidence for Scottrade to investigate. We immediately initiated a comprehensive response. Federal authorities had requested that they be allowed to complete much of their investigation before we notified clients. In coordination with them, we are now able to alert our clients and the public of this incident. We are fully cooperating with law enforcement in their investigation and prosecution of the criminals involved.

Based upon our subsequent internal investigation coupled with information provided by the authorities, we believe a list of client names and street addresses was taken from our system. Importantly, we have no reason to believe that Scottrade's trading platforms or any client funds were compromised. All client passwords remained encrypted at all times and we have not seen any indication of fraudulent activity as a result of this incident.

Although Social Security numbers, email addresses and other sensitive data were contained in the system accessed, it appears that contact information was the focus of the incident.

The unauthorized access appears to have occurred over a period of several months between late 2013 and early 2014. We have secured the known intrusion point and conducted an internal data forensics investigation on this incident with assistance from a leading computer security firm. We have taken appropriate steps to further strengthen our network defenses.

As a precaution, we have arranged with AllClear ID to provide identity protection services to affected clients at no cost for a period of one year.

Scottrade has provided notification to and is coordinating with its primary federal financial regulators in responding to this incident. Further, Scottrade is providing notice about the incident to all current and former clients from the relevant time period beginning on October 2, 2015. Please see the attached notification letter. In addition to direct mail and email notices to the primary contact address on file, Scottrade is providing notice about the incident on its website and through social media.

If you have any questions regarding this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Corinne E. Muller', with a long horizontal line extending to the right.

Corinne E. Muller, Esq.
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[Client Name]
[Client Address]
[Client Address]

October 2, 2015

Dear (Recipient Name):

We are writing to share with you important information about a security compromise involving a database containing some of your personal information, as well as steps we are taking in response, and the resources we are making available to you.

What Happened

Federal law enforcement officials recently informed us that they've been investigating cybersecurity crimes involving the theft of information from Scottrade and other financial services companies. We immediately initiated a comprehensive response.

Based upon our subsequent internal investigation coupled with information provided by the authorities, we believe a list of client names and street addresses was taken from our system. Importantly, we have no reason to believe that Scottrade's trading platforms or any client funds were compromised. All client passwords remained encrypted at all times and we have not seen any indication of fraudulent activity as a result of this incident.

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What Happens Now

Federal authorities had requested that they be allowed to complete much of their investigation before we notified clients. In coordination with them, we are now able to alert you of this incident. We are fully cooperating with law enforcement in their investigation and prosecution of the criminals involved.

Notices like this one are being sent to all individuals and entities whose information was contained in the affected database, and we have included here information about steps you can take to protect yourself.

Information about this incident is available online at <https://About.Scottrade.com/CyberSecurityUpdate>, and we will update that web page if new data becomes available.

What You Can Do

As always, we encourage you to regularly review your Scottrade and other financial accounts and report any suspicious or unrecognized activity immediately. As recommended by federal regulatory agencies, you should remember to be vigilant for the next 12 to 24 months and report any suspected incidents of fraud to us or the relevant financial institution. Please also read the important information included on ways to protect yourself from identity theft.

We encourage clients to be particularly vigilant against email or direct mail schemes seeking to trick you into revealing personal information. Never confirm or provide personal information such as passwords or account information to anyone contacting you. Please know that Scottrade will never send you any unsolicited correspondence asking you for your account number, password or other private information. If you receive any letter or email requesting this information, it is fraudulent and we ask that you report it to us at phishing@scottrade.com. Be cautious about opening attachments or links from emails, regardless of who appears to have sent them.

Identity Theft Protection

As a precaution, Scottrade has arranged with AllClear ID to help you protect your identity at no cost to you for a period of one year. You are pre-qualified for identity repair and protection services and have additional credit monitoring options available, also at no cost to you.

You can call AllClear ID with any concerns about your identity at **855.229.0083**. This hotline is available from 8:00 am to 8:00 pm (central) Monday through Saturday.

We have also included additional steps you could consider at any time if you ever suspect you've been the victim of identity theft. We offer this out of an abundance of caution so that you have the information you need to protect yourself.

We are very sorry that this happened and for any uncertainty or inconvenience this has caused you. We know that incidents like these are frustrating. We take the security of your information very seriously and are committed to continually strengthening and evolving our defenses based on new and emerging threats.

Sincerely,
Scottrade

AllClear ID Identity Theft Protection

We have arranged to have AllClear ID help you protect your identity for one year at no cost to you, effective Oct. 2, 2015. You are pre-qualified for AllClear SECURE identity repair and protection services and have additional credit monitoring options available with AllClear PRO, also at no cost to you.

AllClear SECURE: The team at AllClear ID is ready and standing by if you need identity repair assistance. This service is automatically available to you with no enrollment required. If a problem arises, simply call **855.229.0083** and a dedicated investigator will do the work to recover financial losses, restore your credit and make sure your identity is returned to its proper condition.

AllClear PRO: This service offers additional layers of protection including credit monitoring and a \$1 million identity theft insurance policy. To use the PRO service, you will need to provide your personal information to AllClear ID. You may sign up online at <https://scottrade.allclearid.com> or by phone by calling 855.229.0083.

This hotline is available from 8:00 am to 8:00 pm (central) Monday through Saturday.

Please note: Additional steps may be required by you in order to activate your phone alerts and monitoring options.

Important Identity Theft Information: Additional Steps You Can Take to Protect Your Identity

The following are additional steps you may wish to take to protect your identity.

Review Your Accounts and Credit Reports

Regularly review statements from your accounts and periodically obtain your credit report from one or more of the national credit reporting companies.

You may 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. You may also purchase a copy of your credit report by contacting one or more of the three national credit reporting agencies listed below.

- Equifax, P.O. Box 740241, Atlanta, Georgia 30374-0241. 1.800.685.1111. www.equifax.com
- Experian, P.O. Box 9532, Allen, TX 75013, 1.888.397.3742. www.experian.com
- TransUnion, 2 Baldwin Place, P.O. Box 1000, Chester, PA 19016. 1.800.916.8800. www.transunion.com

Consider Placing a Fraud Alert

You may wish to consider contacting the fraud department of the three major credit bureaus to request that a "fraud alert" be placed on your file. A fraud alert notifies potential lenders to verify your identification before extending credit in your name.

Equifax:	Report Fraud:	1.800.525.6285
Experian:	Report Fraud:	1.888.397.3742
TransUnion:	Report Fraud:	1.800.680.7289

Security Freeze for Credit Reporting Agencies

You may wish to request a security freeze on your credit reports. 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 security freeze on your credit report, you must send a written request to each of the three major consumer reporting agencies by regular, certified or overnight mail at the following addresses:

- Equifax Security Freeze, P.O. Box 105788, Atlanta, GA 30348
- Experian Security Freeze, P.O. Box 9554, Allen, TX 75013
- TransUnion Security Freeze, Fraud Victim Assistance Department, 2 Baldwin Place, P.O. Box 1000, Chester, PA 19016

To request a security freeze, you will need to provide the following:

- Your full name (including middle initial, Jr., Sr., Roman numerals, etc.),
- Social Security number
- Date of birth
- Address(es) where you have lived over the prior five years
- Proof of current address such as a current utility bill
- A photocopy of a government-issued ID card
- If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft
- 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). Don't send cash through the mail.

The credit reporting agencies have three business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five 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 freeze 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 (1) proper identification (name, address, and Social Security number), (2) the PIN number or password provided to you when you placed the security freeze; and (3) the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze all together, you must send a written request to each of the three credit bureaus by mail and include 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 bureaus have three business days after receiving your request to remove the security freeze.

Suggestions if You Are a Victim of Identity Theft

- File a police report. Get a copy of the report to submit to your creditors and others that may require proof of a crime.
- Contact the U.S. Federal Trade Commission (FTC). The FTC provides useful information to identity theft victims and maintains a database of identity theft cases for use by law enforcement agencies. File a report with the FTC by calling the FTC's Identity Theft Hotline: 1-877-IDTHEFT (438-4338); online at <http://www.ftc.gov/idtheft>; or by mail at Identity Theft Clearinghouse, Federal Trade Commission, 600 Pennsylvania Ave., N.W., Washington, D.C. 20580. Also request a copy of the publication, "Take Charge: Fighting Back Against Identity Theft" from <http://www.ftc.gov/bcp/edu/pubs/consumer/idtheft/idtheft04.pdf>.
- Keep a record of your contacts. Start a file with copies of your credit reports, the police reports, any correspondence, and copies of disputed bills. It is also helpful to keep a log of your conversations with creditors, law enforcement officials, and other relevant parties.

Take Steps to Avoid Identity Theft

Further information can be obtained from the FTC about steps to take to avoid identity theft through the following paths: <http://www.ftc.gov/idtheft>; calling 1-877-IDTHEFT (438-4338); or write to Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Ave., N.W., Washington, D.C. 20580.

Maryland residents can learn more about preventing identity theft from the Maryland Office of the Attorney General, by visiting their web site at <http://www.oag.state.md.us/idtheft/index.htm>, calling the Identity Theft Unit at 410.567.6491, or requesting more information at the Identity Theft Unit, 200 St. Paul Place, 16th Floor, Baltimore, MD 21202.

North Carolina residents can learn more about preventing identity theft from the North Carolina Office of the Attorney General, by visiting their web site at <http://www.ncdoj.gov/Help-for-Victims/ID-Theft-Victims.aspx>, calling 919.716.6400 or requesting more information from the North Carolina Attorney General's Office, 9001 Mail Service Center Raleigh, NC 27699-9001.

Vermont residents may learn helpful information about fighting identity theft, placing a security freeze, and obtaining a free copy of your credit report on the Vermont Attorney General's website at <http://www.atg.state.vt.us>

Massachusetts residents are reminded that you have the right to obtain a police report and request a security freeze as described above. The consumer reporting agencies may charge you a fee of up to \$10 to place a security freeze on your account, and may require that you provide certain personal information (such as your name, Social Security Number, date of birth and address) and proper identification (such as a copy of a government-issued ID card and a bill or statement) prior to honoring your request. There is no charge, however, to place, lift or remove a security freeze if you have been a victim of identity theft and you provide the consumer reporting agencies with a valid police report.