

ReedSmith

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STATE OF HAWAII  
CONSUMER PROTECTION

March 3, 2008

Department of Commerce and Consumer  
Affairs  
Office of Consumer Protection  
Leiopapa A Kamehameha Building a/k/a State  
Office Tower  
235 South Beretania Street  
Honolulu, Hawaii 96813

**Re: LEAF Financial Corporation and Merit Capital Advance, LLC**

Dear Sir/Madam:

Recently, a few laptop computers were stolen from my clients, LEAF Financial Corporation and its affiliate, Merit Capital Advance, LLC. The theft of the laptops was discovered on Monday, February 4, 2008. The theft is believed to have taken place the weekend immediately prior. The computers were password protected. We have no reason to believe the theft was targeting any information on the computers, rather than the computers themselves.

Information about residents of your State, including name and Social Security Number, may have been contained in information on one or more of those computers. LEAF Financial is taking steps to address this incident. Specifically, LEAF Financial has informed law enforcement authorities and undertaken a review of security procedures. While the police have been notified, no formal criminal charges have been filed against any identified suspect. In addition, LEAF Financial has provided notice to three (3) residents of your State (see form of notice attached).

If you have any questions about this matter, please contact me at:

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Princeton, New Jersey 08540  
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pbond@reedsmith.com.

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OAKLAND ♦ MUNICH ♦ ABU DHABI ♦ PRINCETON ♦ NORTHERN VIRGINIA ♦ WILMINGTON ♦ BIRMINGHAM ♦ DUBAI ♦ CENTURY CITY ♦ RICHMOND ♦ GREECE

Patrick E. Bradley ♦ Office Administrative Partner ♦ A Limited Liability Partnership formed in the State of Delaware

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Very truly yours,

A handwritten signature in black ink, appearing to read "PJB" followed by a stylized flourish.

Paul J. Bond

PJB:ks

**[consumer name and address here]**

Recently, a few laptop computers were stolen from LEAF Financial Corporation and its affiliate, Merit Capital Advance, LLC. Information about you, including your name and Social Security Number, may have been contained in information on one or more of those computers. The computers were password protected. We have no reason to believe the theft was targeting any information on the computers, rather than the computers themselves.

LEAF Financial is taking steps to address this incident. Specifically, LEAF Financial has informed law enforcement authorities and undertaken a review of security procedures. However, as always, we advise you to be vigilant by monitoring your financial accounts and checking your credit reports. You can obtain your free credit report by calling Equifax at 1-800-685-1111, Experian at 1-888-397-3742, or TransUnion at 1-800-916-8800.

If you have any questions concerning this incident, you can write to LEAF Financial at One Commerce Square, 2005 Market Street, Suite 1500, Philadelphia, Pennsylvania, 19103 attn. Sheri Herman or call us toll-free at 1-866-206-3113.

Sincerely,  
Sheri Herman  
Customer Service Manager  
LEAF Financial Corporation