

**Paul Bond**  
Direct Phone: +1 609 520 6393  
Email: pbond@reedsmith.com

March 3, 2008

**VIA REGULAR MAIL**

Office of the Attorney General  
One Ashburton Place  
Boston, Massachusetts 02108

Office of Consumer Affairs and Business  
Regulation  
Ten Park Plaza, Suite 5170  
Boston, MA 02116  
Attn: Director, Undersecretary Daniel Crane

**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.

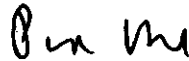
Information about residents of your State, including name and Social Security Number, may have been contained in information on one or more of those computers. LEAF Financial is taking steps to address this incident. Specifically, LEAF Financial has informed law enforcement authorities and undertaken 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).

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

Paul Bond  
Reed Smith LLP  
136 Main Street, Suite 250  
Princeton Forrestal Village  
Princeton, New Jersey 08540  
609.520.6393  
pbond@reedsmith.com.

Very truly yours,



Paul J. Bond

PJB:ks

Enclosure

## [NOTICE TO CONSUMERS: MASSACHUSETTS]

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. You have the right to obtain a copy of any police report filed in this matter.

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.

You have a right to request a "security freeze" on your consumer report. The security freeze will prohibit a consumer reporting agency from releasing any information in your consumer report without your express authorization. A security freeze shall be requested by sending a request either by certified mail, overnight mail or regular stamped mail to a consumer reporting agency, or as authorized by regulation. The security freeze is designed to prevent credit, loans or services from being approved in your name without your consent. You should be aware that using a security freeze may delay, interfere with, or prevent the timely approval of any subsequent request or application you make regarding new loans, credit, mortgage, insurance, government services or payments, rental housing, employment, investment, license, cellular phone, utilities, digital signature, internet credit card transactions, or other services, including an extension of credit at point of sale.

When you place a security freeze on your consumer report, within 5 business days of receiving your request for a security freeze, the consumer reporting agency shall provide you with a personal identification number or password to use if you choose to remove the freeze on your consumer report or to authorize the release of your consumer report to a specific party or for a specified period of time after the freeze is in place. To provide that authorization, you must contact the consumer reporting agency and provide the following:-

- (1) the personal identification number or password provided by the consumer reporting agency;
- (2) proper identification to verify your identity; and
- (3) the third party or parties who are to receive the consumer report or the specified period of time for which the report shall be available to authorized users of the consumer report.

A consumer reporting agency that receives a request from a consumer to lift a freeze on a consumer report shall comply with the request not later than 3 business days after receiving the request.

A security freeze shall not apply to a person or entity, or to its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account, that

requests information relative to your consumer report for the purposes of reviewing or collecting the account, if you have previously given consent to the use of your consumer report. "Reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

Write to:  
Equifax  
P.O. Box 740241  
Atlanta, Georgia 30374

Experian  
P.O. Box 2002  
Allen, Texas 75013

TransUnion LLC  
P.O. Box 1000  
Chester, Pennsylvania 19022

LEAF Financial cannot put a security freeze on your account. Only the above agencies can.

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

**[consumer name and address here]**

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Write to:

Equifax  
P.O. Box 740241  
Atlanta, Georgia 30374

Experian  
P.O. Box 2002  
Allen, Texas 75013

TransUnion LLC  
P.O. Box 6790  
Fullerton, California 19022

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Sheri Herman  
Customer Service Manager  
LEAF Financial Corporation