



Return Mail Processing
PO Box 51484
Livonia, MI 48151-5484

[DATE]



P1IWKN00100001 - 194246692



[CUSTOMER NAME]
[STREET ADDRESS]
[TOWN, STATE, ZIP]

NOTICE OF DATA BREACH

Dear [CUSTOMER NAME],

I am writing to let you know about an incident involving data housed on the systems of TIO Networks USA, Inc. and its affiliates, including Softgate Systems; Inc., Softgate Systems of California, Inc.; and Global Express Money Orders, Inc. (“TIO”). TIO provides technology that helps customers pay bills through self-service kiosks, at retail locations, and through mobile and web applications.

I’ve Never Heard Of TIO – Why Am I Receiving This?

TIO’s services are used by some of the companies that provide you services – like your utility company or telecom company – so you might not know that the company is using TIO. When you pay for services, TIO makes sure your payment gets to the company. Our records indicate that you used TIO’s services when you paid:

[BILLER NAME]

[BILLER ADDRESS]

What Happened?

TIO Networks was acquired by PayPal Holdings, Inc. (“PayPal”) on July 18, 2017. On November 10, TIO’s operations were suspended after the discovery of security vulnerabilities in its systems. The investigation to date has uncovered evidence of unauthorized access to the TIO network, including locations that stored personal information of some of TIO’s customers and customers of the companies that TIO services. We have no proof, however, that your data was accessed, acquired, or misused. The PayPal platform, which is separate from the TIO network, is not impacted by this situation in any way and PayPal’s customers’ data remains secure.

What Information Was Involved?

Although we have no proof that your data was accessed, acquired, or misused, we are notifying you in an abundance of caution because the TIO servers involved in this incident stored data such as customer names, contact information, and subscriber/billing account numbers. The TIO systems also stored personal information such as payment card information, bank account information, Social Security and other government identification numbers, and account usernames and passwords. With respect to the company you did business with, the TIO servers stored the following personal information:

[POTENTIALLY AFFECTED PERSONAL INFORMATION]

Our evidence of the earliest possible date of intrusion dates back to at least 2014, and data on TIO’s systems prior to that date may have been affected. We continue to investigate the earliest evidence of unauthorized access.

What We Are Doing

We sincerely regret this incident and are working hard to protect you and your personal information. In addition to suspending its services, TIO contacted the appropriate law enforcement and other authorities, and has brought in outside cybersecurity experts to investigate.

We are also providing you with one year of complimentary identity protection that includes credit monitoring, identity theft insurance, and assistance with combating identity theft and fraud, should any be detected.

Visit www.experianidworks.com/creditone to activate and take advantage of your identity protection.

You have until **March 31, 2018** to activate your identity protection.

Activation Code: [XXXXXXXX]

To activate your membership by phone instead of online, please call 1-855-272-6796. Be prepared to provide engagement number [XXXXXXXX].

What You Can Do

I am enclosing additional steps that you can take to protect yourself, including how to place a fraud alert or a security freeze on your credit file with the three major credit reporting agencies. In addition, if you have an online account with TIO, you should consider resetting the password for the account (and for any other accounts for which you use the same password).

For More Information

We sincerely regret any inconvenience this incident may cause you. For the latest information, please visit www.tio.com. You can also contact us in writing at 2211 N 1st St, San Jose, CA 95131, or by phone at 1-855-272-6796.

Para ayuda en español, por favor visitar www.tio.com.

Sincerely,



John Kunze
President
Tio Networks USA, Inc.

ADDITIONAL RESOURCES

You should remain vigilant for instances of fraud or identity theft by reviewing your account statements and closely monitoring your credit reports, which are available to you free of charge. You may obtain a free copy of your credit report once every 12 months from each of the three nationwide credit reporting agencies. Contact information for these agencies is as follows:

Equifax: P.O. Box 740241, Atlanta, GA 30374, www.equifax.com, 1-800-525-6285

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

TransUnion: P.O. Box 2000, Chester, PA 19022, www.transunion.com, 1-800-680-7289

Annual Credit Report. You may also order a free annual credit report. To do so, please visit www.annualcreditreport.com or call 1-887-322-8228.

You can also order your free annual credit report by mailing a completed Annual Credit Report Request Form (available from the U.S. Federal Trade Commission's ("FTC") website at www.consumer.ftc.gov/articles/0155-free-credit-reports) to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

For Colorado, Georgia, Maine, Maryland, Massachusetts, New Jersey, Puerto Rico, and Vermont residents: You may obtain one or more (depending on the state) additional copies of your credit report, free of charge. You must contact each of the credit reporting agencies directly to obtain such additional report(s).

Fraud Alert. You may place a fraud alert in your file by contacting one of the three nationwide credit reporting agencies listed above. A fraud alert tells creditors to follow certain procedures, including contacting you before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you, but also may delay you when you seek to obtain credit.

Security Freeze. You have the ability to place a security freeze on your credit report. A security freeze will prevent new credit from being opened in your name without the use of a PIN number that will be issued to you when you initiate the freeze. A security freeze is designed to prevent potential creditors from accessing your credit report without your consent. As a result, using a security freeze may interfere with or delay your ability to obtain credit. You must separately place a security freeze on your credit file with each credit reporting agency. To place a security freeze, you may be required to provide the credit reporting agency certain identifying information, including your full name; Social Security number; date of birth; current and previous addresses; a copy of your state-issued identification card; and a recent utility bill, bank statement, or insurance statement.

For Massachusetts and Rhode Island residents: The consumer reporting agencies may require you to pay a fee to place, lift, or remove the security freeze. For Massachusetts residents, such fee may be up to \$5.

Federal Trade Commission and State Attorneys General Offices. If you believe you are the victim of identity theft or have reason to believe your personal information has been misused, you should immediately contact the Federal Trade Commission and/or the Attorney General's office in your home state. You can also contact these agencies for information on how to prevent or avoid identity theft.

You may contact the **Federal Trade Commission**, Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, DC 20580, www.ftc.gov/IDTHEFT, 1-877-IDTHEFT (438-4338).

For Maryland residents: You may contact the Office of the Maryland Attorney General, 200 St. Paul Place, Baltimore, MD 21202, <http://www.marylandattorneygeneral.gov/>, 1-888-743-0023.

For North Carolina residents: You may contact the North Carolina Office of the Attorney General, Mail Service Center 9001, Raleigh, NC 27699-9001, <http://www.ncdoj.gov/>, 1-877-566-7226.

For Rhode Island residents: You may contact the Rhode Island Office of the Attorney General, 150 South Main Street, Providence, RI 02903, <http://www.riag.ri.gov>, 401-274-4400.

Reporting identity theft and obtaining a police report.

For Iowa residents: You are advised to report any suspected identity theft to law enforcement or to the Iowa Attorney General.

For Massachusetts residents: You have the right to obtain a police report regarding this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it.

For Oregon residents: You are advised to report any suspected identity theft to law enforcement, including the Federal Trade Commission and the Oregon Attorney General.

For Rhode Island residents: You have the right to file or obtain a police report regarding this incident.

Federal Fair Credit Reporting Act Rights: The Fair Credit Reporting Act (FCRA) is federal legislation that regulates how consumer reporting agencies use your information. It promotes the accuracy, fairness, and privacy of consumer information in the files of consumer reporting agencies. As a consumer, you have certain rights under the FCRA, which the FTC has summarized as follows: you must be told if information in your file has been used against you; you have the right to know what is in your file; you have the right to ask for a credit score; you have the right to dispute incomplete or inaccurate information; consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information; consumer reporting agencies may not report outdated negative information; access to your file is limited; you must give your consent for reports to be provided to employers; you may limit "prescreened" offers of credit and insurance you get based on information in your credit report; you may seek damages from violators. Identify theft victims and active duty military personnel have additional rights. For more information about these rights, you may go to www.ftc.gov/credit or write to: Consumer Response Center, Room 13-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.

TIO Networks Provides Update on Suspension of Operations

SAN JOSE, Calif. – December 1, 2017 – PayPal Holdings, Inc. (Nasdaq: PYPL) today announced an update on the suspension of operations of TIO Networks (TIO), a publicly traded payment processor PayPal acquired in July 2017. A review of TIO’s network has identified a potential compromise of personally identifiable information for approximately 1.6 million customers. The PayPal platform is not impacted in any way, as the TIO systems are completely separate from the PayPal network, and PayPal’s customers’ data remains secure.

As announced on November 10, PayPal suspended the operations of TIO to protect customer data as part of an ongoing investigation of security vulnerabilities of the TIO platform. This ongoing investigation has identified evidence of unauthorized access to TIO’s network, including locations that stored personal information of some of TIO’s customers and customers of TIO billers. As a result, PayPal is taking steps to protect affected customers.

TIO has also begun working with the companies it services to notify potentially affected individuals, and PayPal is working with a consumer credit reporting agency to provide free credit monitoring memberships. Individuals who are affected will be contacted directly and receive instructions to sign up for monitoring.

More information has been posted at www.tio.com.

About PayPal

Fueled by a fundamental belief that having access to financial services creates opportunity, PayPal (Nasdaq: PYPL) is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our open digital payments platform gives PayPal’s 218 million active account holders the confidence to connect and transact in new and powerful ways, whether they are online, on a mobile device, in an app, or in person. Through a combination of technological innovation and strategic partnerships, PayPal creates better ways to manage and move money, and offers choice and flexibility when sending payments, paying or getting paid. Available in more than 200 markets around the world, the PayPal platform, including Braintree, Venmo and Xoom, enables consumers and merchants to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit <https://www.paypal.com/about>. For PayPal financial information, visit <https://investor.paypal-corp.com>.

Contacts

PayPal Holdings, Inc.

Justin Higgs

mediarelations@paypal.com

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