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March 27, 2015

Brian Krebs  
Krebs on Security LLC  
P.O. Box 3073  
Merrifield, VA 22116

Re: Article Entitled "Kreditech Investigates Insider Breach"

Dear Mr. Krebs:

We represent Kreditech in connection with the above-referenced article, disseminated on March 24, 2015 on the website Krebs on Security, which reported on a security incident purportedly involving a criminal computer hacking group known as "A4." Because you have failed to respond to multiple requests from representatives of Kreditech to correct your inaccurate reporting in connection with this incident, Kreditech has asked that we write to inform you of three false statements of fact in your article.

This letter shall serve as notice of these false statements and a demand for corrective action. We expect that you will take immediate steps to effect prominent, appropriate corrections to your article, remove the current iteration of the article from the Krebs on Security website and any other website on which it appears, and refrain from further disseminating the original article.

The factual errors in your article that require immediate correction are as follows:

First, your article includes a false and inflammatory quote from so-called "A4," a criminal enterprise, regarding the incident. In isolation, this quote communicates significant false impressions to your readers. It is presented out of context, and without reference to several highly relevant facts. Specifically, as soon as Kreditech learned of the incident in August 2014, Kreditech immediately sought the assistance of the Hamburg state police. Kreditech also retained outside experts to assist it in conducting intensive security tests. These outside experts verified that Kreditech employs the highest security standards. Crucially, the experts also confirmed that Kreditech's computer system cannot be accessed externally. This was so at the time of the incident, and continues to be the case. Accordingly, the outside experts concluded that there was no external breach of Kreditech's systems. Simply put, this was not an external breach, and your article should clearly reflect that fact.

Second, your article reports that, according to Corey Wells, customer data was affected by the incident. This is a false statement of fact. The affected data in fact consisted exclusively of data derived from the caching system of the Kreditech website. This caching system only contains data from applications—not data from existing customers.



Third, your article reports that the incident involved data from the Dominican Republic, Brazil, and Romania. This, too, is false. Kreditech did not launch its operations in the Dominican Republic until October 2014, months after the security incident at issue, which, according to the police, occurred in August 2014. And Kreditech has not yet launched any operations in Brazil or Romania. Thus, absolutely no data from the Dominican Republic, Brazil, or Romania was—or could have been—affected.

As we are sure you can appreciate, Kreditech is extremely concerned about the inaccurate and misleading impression your article creates about the company and its data security. Client data is of paramount importance to Kreditech, and data security is its first priority. Your article, in its current form, has already caused substantial harm to Kreditech, and Kreditech's damages will only increase until the necessary corrections are made.

Now that you are on notice of the false statements contained in your article, we would hope that a respected journalist such as yourself would seek to make the appropriate corrections in an expedited manner and we request your immediate confirmation that corrective actions will be taken.

Please feel free to contact me should you have any questions concerning the matters addressed in this letter.

Nothing in this letter should be deemed to constitute a waiver or full statement of our client's rights or remedies, all of which are expressly reserved. Kreditech will vigorously pursue whatever action is necessary to protect its rights under any and all applicable laws.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. D. Carbone'.

Christian D. Carbone  
Loeb & Loeb LLP