



StartEngine Crowdfunding, Inc.  
3900 W Alameda Ave, Suite 1200  
Burbank, CA 91505

**VIA E-MAIL**

Office of the Attorney General  
600 East Boulevard Avenue, Department 125  
Bismarck, ND 58505-0040

To Whom It May Concern:

April 2, 2021

As in-house counsel for StartEngine Crowdfunding, Inc., a crowdfunding platform, I write to inform you of the recent discovery of a data security incident and to explain the steps the company has taken and continues to take to address it, including notifying potentially impacted individuals and providing them ways with which to protect their personal information.

On March 24th, 2021, a third party software tool that StartEngine uses for email marketing communications was compromised. An unknown person was able to access that tool and export some of our users information before being locked out of the account. During that time, the user was able to pull some personal information about individuals stored in the email marketing tool including (i) users first and last name, (ii) users email address, (iii) the month and day of the users birthday (not the year). No other information was compromised during the incident.

The company immediately began an investigation to assess the incident's scope led by StartEngine's Chief Compliance Officer and Vice President of Engineering who leads the company's technology and security department. Within an hour of discovering the security breach, StartEngine froze the account and kicked out the unknown individual. StartEngine will no longer be using this third party product and is removing all user data. In addition, the company is hiring a security analyst to improve our processes and security measures. On April 1st, 2021, the Company notified via email all affected individuals including approximately three hundred and forty-one (341) North Dakota residents.

The company is notifying this Office and the individual state residents. Attached is a copy of this notice. Please do not hesitate to contact us if you have any questions regarding this matter.

Kind Regards,

Rachel J. Walker, Esq.  
Counsel - Compliance & Legal  
[compliance@startengine.com](mailto:compliance@startengine.com)



Hi Max,

We are writing to inform you that on March 24th, 2021 a third-party software tool that StartEngine uses for email marketing was compromised. An unknown person was able to access that tool and export some of our users, including you, before being locked out of the account. **Your payment information and social security number are secure and have not been compromised.** However, during that time, this unknown user was able to pull some personal information about you that includes:

- Your first and last name
- Your email address
- The month and day of your birthday (not the year)

No other information was compromised. If you made an investment on our platform, any information about your payment, your address, your social security number, and other related investment information, is secure. Your password is secure. Only the three pieces of information above were compromised by this security breach.

**What is StartEngine doing about this?**

Within an hour of discovering the security breach, we froze the account and kicked out this unknown individual. We are finalizing steps to offboard entirely from the tool that was compromised. We are hiring a security analyst to improve our processes and security measures. The entire StartEngine team is going through mandatory security training.

We'd like to apologize for this security breach. We do not take your trust lightly and know that we have much work ahead to earn that trust back again.

If you have any questions, please contact a StartEngine team member at [contact@startengine.com](mailto:contact@startengine.com).

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