

BlockFi Inc.

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Date: January __, 2024



NOTICE OF DATA BREACH

What
Happened?

In connection with the approved Chapter 11 Plan ("Plan") for BlockFi Inc and its wholly owned subsidiaries (most notably BlockFi Lending LLC) (collectively, "BlockFi"), BlockFi Inc. engaged Kroll Restructuring Administration LLC ("Kroll") in connection with administering notices and claims under the Plan.

On or about August 19, 2023, a bad actor targeted a mobile phone account belonging to a Kroll employee in the form of a SIM Swapping attack ("Breach"). Specifically, the mobile carrier transferred an employee's phone number to the bad actor's phone at the bad actor's request. As a result, the bad actor gained access to certain accounts and files in connection with the BlockFi Plan administration being performed by Kroll.

After concluding the initial investigation into the attack, in September 2023, attorneys for Kroll represented to BlockFi, and counsel to a committee appointed by the court to represent unsecured creditors as part of the bankruptcy proceeding, that, with respect to the Breach, that no data was exposed, or at risk for exposure, that would be likely to result in a risk to the rights or freedoms of any person, and in any case, no data was exposed that would trigger a reporting requirement by BlockFi. Despite this assessment, as a matter of good faith, Kroll notified the individuals whose personal information was implicated in the Breach over the course of two days, from August 31, 2023 to September 1, 2023. BlockFi relied upon the representation of Kroll's counsel and took no further action.

However, on December 4, 2023, BlockFi's attorneys were made aware that Kroll's investigation was incomplete after a conference call with Kroll's attorneys where it was shared that Kroll had not reviewed a large number of files ("Unstructured Files") involved 3+ months earlier in the Breach and that the Unstructured Files may or may not have contained data that could risk the rights or freedoms of individuals and that may trigger reporting requirements for BlockFi and the Plan Administrator. BlockFi immediately requested the Unstructured Files for review.

On December 18, 2023, Kroll reported to BlockFi and the Plan Administrator that data was present in the Unstructured Files that risked the rights and freedoms of individuals and triggered reporting obligations for BlockFi. On December 21, 2023, after reviewing the Unstructured Files, the BlockFi and the Plan Administrator confirmed this assessment.

What Information Was Involved?	BlockFi customers’ first and last names, Date of Birth, email address, mailing address, and driver’s license number were involved in this data breach.						
What We Are Doing.	BlockFi is in the process of winding-up its business as a result of its bankruptcy proceeding. Because of this, and the fact that at no point were BlockFi’s systems compromised by the bad actor involved in the Breach, or anyone else, BlockFi is not implementing additional security measures as a result of the Breach. However, BlockFi is working closely with Kroll to ensure there is no further risk to your rights or freedoms, or any further unauthorized access to your personal data. To date, Kroll has implemented the following changes to its security measures in light of the Breach: (i) permanently disabled the employee’s compromised account and created a new account for the targeted employee; (ii) required all employee accounts to use a mobile authenticator application as a second factor for authentication; (iii) limited access to all employee accounts to only Kroll-registered computers and mobile devices; (iv) increased the alerting and blocking of suspicious activity on Kroll’s instances of online vendor-provided software; and (v) enhanced its password reset procedures.						
What You Can Do.	<p>If you use or used your Date of Birth as a password for any online account, change your password for those accounts and any related security question immediately.</p> <p>Stay vigilant and alert for phishing attempts that attempt to impersonate the tone, imagery, and branding of legitimate BlockFi emails and spam phone calls from retired numbers. BlockFi will never call you and ask for your personal information. Enable Two-Factor Authentication for all your accounts including your BlockFi account. Keep in mind that BlockFi will never ask you to share your BlockFi password or two-factor authentication. Monitor your account statements. You can also obtain information on preventing identity theft from the regulatory sources provided below, including, but not limited to, how to register and obtain fraud alerts and security freezes.</p>						
<p>Other Important Information.</p> <p>Below please find the contact information for relevant consumer reporting agencies and federal and state-based regulators who can provide you with additional information and resources to better avoid any further incidents occurring. You may also contact the FTC and your specific State regulators identified below to obtain additional information on how to avoid identity theft. Please note that the issuance of this notice has not been delayed by any law enforcement investigation.</p> <p>Major Consumer Reporting Agencies and the Federal Trade Commission</p> <table><tr><td><u>Equifax</u></td><td><u>Experian</u></td><td><u>TransUnion</u></td></tr><tr><td>https://www.equifax.com/personal/credit-report-services/</td><td>https://www.experian.com/help/</td><td>https://www.transunion.com/credit-help</td></tr></table>		<u>Equifax</u>	<u>Experian</u>	<u>TransUnion</u>	https://www.equifax.com/personal/credit-report-services/	https://www.experian.com/help/	https://www.transunion.com/credit-help
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1-888-298-0045	1-888-397-3742	1-800-916-8800
Equifax Fraud Alert P.O. Box 105069 Atlanta, GA 30348-5069	Experian Fraud Alert P.O. Box 9554 Allen, TX 75013	TransUnion Fraud Alert P.O. Box 2000 Chester, PA 19016
Equifax Credit Freeze P.O. Box 105788 Atlanta, GA 30348-5788	Experian Credit Freeze P.O. Box 9554 Allen, TX 75013	TransUnion Credit Freeze P.O. Box 160 Woodlyn, PA 19094

The Federal Trade Commission may be reached at: Bureau of Consumer Protection, 600 Pennsylvania Avenue, NW, Washington DC 20580; Tel: 1-866-653-4261; Web: <https://www.ftc.gov/about-ftc/bureaus-offices/bureau-consumer-protection/about-bureau-consumer-protection>.

The Montana Attorney General, Office of Consumer Protection can be contacted at P.O. Box 200151, Helena, MT 59620-0151; Tel: 406-444-4500; Toll-Free 800-481-6896; and contactocp@mt.gov.

For More
Information.

Our contact information is above, but you can also reach us toll-free at 1-833-904-1235 for further assistance and additional information.