

December 23, 2008

Office of the Attorney General Douglas F. Gansler
Attn: Security Breach Notification
200 St. Paul Place
Baltimore, MD 21202
Email: Idtheft@oag.state.md.us

Re: Security Breach Notification

Dear Mr. Gansler:

Pursuant to Md. Commercial Law Code § 14-3504, Vonage America Inc. ("Vonage") provides this notice of a security breach. Vonage recently discovered that a telemarketing sales agent working on behalf of Vonage at a third party vendor kept notes of her sales contacts on Google Notebook. This action was contrary to Vonage's policy of not allowing agents to record sensitive customer information outside of Vonage's computer system. For two Maryland residents this information included name, address, and credit card number and CCV or bank account number and routing number.

Upon discovering this breach, Vonage took steps to quickly remove the information from Google Notebook. Vonage's fraud team investigated the incident and concluded that the problem resulted from a breakdown in agent oversight at the third party vendor and not any intentional fraud on the part of the telemarketing sales agent.

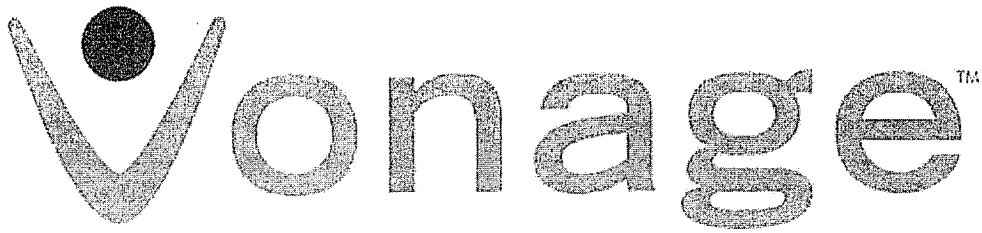
After discovering the breach, Vonage has required that all of its third party vendors that handle credit card data provide Vonage with a description of their methodology for detecting data leaks. In addition, Vonage has required that third party vendors, with sales or support agents serving Vonage, block access to a number of websites including Google Notebook. Vonage intends to provide the two Maryland residents affected by this breach with one year of credit monitoring service to help protect against potential problems that could arise as a result of this breach. We are planning to send the attached notice to the affected consumers on December 24th.

If you have any further questions regarding this breach, please feel free to contact me.

Sincerely,


Brendan Kasper

Brendan Kasper, Senior Regulatory Counsel
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Fax: 732-202-5221
brendan.kasper@vonage.com



December 24, 2008

«Account_Name»

«Billing_St_Address»

«Billing_City», «Billing_State» «Billing_Zip_Code»

IMPORTANT NOTICE REGARDING YOUR PERSONAL INFORMATION

Dear «Account_Name»,

I am writing to inform you that an agent of a third party vendor supporting the Vonage sales organization recorded her sales notes for a small number of customers on a publically accessible website. We understand that the information posted contained personally identifiable information and we regret that this incident may affect you. Upon our discovery of the telesales agent's actions, Vonage immediately removed all information from the website.

Fortunately, we are not aware of any improper access or misuse of this information. However, the personal information included names, addresses, and credit card or bank account information. We take any loss of personal information very seriously and want to help ensure that we protect your information.

This telesales agent's action was contrary to Vonage's policy of prohibiting agents from recording sensitive customer information outside of Vonage's computer system. We also require that all third party vendors block access to additional websites for their representatives providing sales or service support to Vonage.

To assist you and help safeguard your personal information, Vonage will provide you with one year of credit monitoring service from Equifax. Please take the time to read the enclosed information outlining the steps to enroll in the service as well as additional information to help protect you against identity theft.

Please accept our sincere apology for this situation. We take the protection of your personal information very seriously and we are working with our third party vendors to increase the security of your personal information as a result of this incident. If you have any questions or concerns regarding this incident, please contact our Executive Response Team at 1-888-580-4020.

Sincerely,

A handwritten signature in cursive script that reads 'Jamie Haengi'.

Jamie Haengi
Chief Marketing Officer

← **Enroll in Equifax Credit Watch™ Gold with 3-in-1 Monitoring**

We have arranged with Equifax Personal Solutions to help you protect your identity and your credit information at no cost to you with Equifax Credit Watch™ Gold with 3-in-1 Monitoring identity theft protection service. Equifax Credit Watch will provide you with an “early warning system” to changes to your credit file and help you to understand the content of your credit file at the three major credit reporting agencies. Equifax Credit Watch provides you with:

- Comprehensive credit file monitoring of your Equifax, Experian, and TransUnion credit reports with daily notification of key changes to your credit files from any of the three agencies;
- Wireless alerts and customizable alerts available;
- One 3-in-1 Credit Report and unlimited access to your Equifax Credit Report™;
- \$20,000 in identity theft insurance with \$0 deductible, at no additional cost to you;
- 24 by 7 live agent Customer Service to assist you in understanding the content of your Equifax credit information, to provide personalized identity theft victim assistance and in initiating an investigation of inaccurate information.

How to Enroll

To sign up online for **online delivery** go to www.myservices.equifax.com/tri.

1. **Consumer Information:** complete the form with your contact information (name, address and e-mail address) and click “Continue” button. The information is provided in a secured environment.
2. **Identity Verification:** complete the form with your Social Security Number, date of birth, telephone #s, create a User Name and Password, agree to the Terms of Use and click “Continue” button. The system will ask you up to two security questions to verify your identity.
3. **Payment Information:** During the “check out” process, provide the following promotional code: <<Promo_Code>> in the “Enter Promotion Code” box. (no spaces, include dash.) After entering your code press the “Apply Code” button and then the “Submit Order” button at the bottom of the page. (This code eliminates the need to provide a credit card number for payment.)
4. **Order Confirmation:** – Click “View My Product” to access your 3-in-1 Credit Report.

To sign up for **US Mail delivery**, dial 1-866-937-8432 for access to the Equifax Credit Watch automated enrollment process. Note that all credit reports and alerts will be sent to you via US Mail only.

1. **Promotion Code:** You will be asked to enter your promotion code as shown above (no spaces, **no dash**)
2. **Customer Information:** You will be asked to enter your home telephone number, home address, name, date of birth and Social Security Number.
3. **Permissible Purpose:** You will be asked to provide Equifax with your permission to access your credit file and to monitor your file. Without your agreement, Equifax can not process your enrollment.
4. **Order Confirmation:** Equifax will provide a confirmation number with an explanation that you will receive your Fulfillment Kit via the US Mail (when Equifax is able to verify your identity) or a Customer Care letter with further instructions (if your identity can not be verified using the information provided).

Additional Steps

In addition to using the credit monitoring service, there are several other steps that you can take to help protect against any potential problems. First, we recommend that you carefully monitor the statements from the credit card or bank account used to pay for your Vonage service to make sure that there are no unauthorized charges on these accounts. In addition, you should consider contacting the credit card company or bank that you use to pay for your Vonage service to request an account number change.

Further, you may consider contacting the credit reporting agencies and requesting that the agencies place either a fraud alert or a security freeze on your credit report. The telephone numbers for the credit reporting agencies are as follows:

- • Equifax: 1-800-525-6285
- • Experian: 1-888-EXPERIAN (397-3742)
- • TransUnion: 1-800-680-7289.

A fraud alert lasts for ninety days and prevents any new credit accounts from being opened without your permission. You can obtain a ninety day fraud alert for no charge from the credit reporting agencies. If you request a ninety day fraud alert from one of the credit reporting agencies, it will pass this information on to the other two agencies and they will automatically place a ninety day fraud alert on your credit report. A security freeze prevents creditors from obtaining your credit report without your permission. A security freeze, however, can also delay the grant of credit by legitimate creditors seeking to open accounts for you. The credit reporting agencies charge a small fee for implementing a security freeze (unless you are a victim of identity theft).¹

You also have the right to obtain a police report if you are or become a victim of identity theft. For more information on what to do if you believe that you are victim of identity theft, the

- Federal Trade Commission has established a helpful website (<http://www.ftc.gov/bcp/edu/microsites/idtheft/>). You can also contact the Federal Trade Commission at 1-877-ID-THEFT (877-438-4338).

¹ The security freeze fees for Equifax can be found at http://www.equifax.com/cs/Satellite/EPX_Content_C1/1174053574643/5-1/5-1_PopupLayout.htm. The security freeze fees for Experian can be found at http://www.experian.com/consumer/security_freeze.html. The security freeze fees for TransUnion are available at <http://www.transunion.com/sites/corporate/personal/fraudIdentityTheft/fraudPrevention/securityFreezeTable.page>.