

Seahorse Financial Advisers Inc.

Our Recommendations: Identity Theft and Cyber-Security

These are our latest recommendations to protect your identity and your investment accounts from the proliferating threats of identity theft and account hacking. In addition to safe practices in your internet use (an internet security program such as Norton, do not respond to Phishing, never e-mail your account or social security numbers), we recommend:

1. Secure Password. A secure log-on to your brokerage account is your most important line of defense.

We, and your brokers, all recommend that:

- Your password to your investment account be complex (letters, numbers and symbols)
- Your password to your investment account be unique (not used for other sites, like internet shopping)
- You change your password at least twice a year, if only by one character.

2. Secure log-on device.

Charles Schwab offers top-of-the-line security through a mechanical log-on device, a fob which is picture here on my NYC laptop. You attach this fob to your computer and it generates a unique password known only to you and Schwab for each log-on. We use and recommend a fob.



3. Two-Step log-Ons

Some brokers offer “two step” log-ons where in addition to entering your password you receive by cell phone a code from the broker to complete log on. We recommend this.

4. Verbal Password for telephone requests to the Broker

Charles Schwab also offers a “Verbal Password” which you set up with Schwab and is known only to you, to assist Schwab in identifying you when you call Schwab for account service, such as move money requests. This is in lieu of questions from your background, such as “your mother’s maiden name.” We recommend this.

5. Identity Monitoring Service

We recommend an identity monitoring service that notifies you if a financial account is opened in your name or your information at credit agencies is changed. We use and recommend Lifelock and Equifax.

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Identity Theft Credit Rebate Included in your Bill

We strongly advise clients to purchase identity theft protection.

In our billing to you, we have credited you with up to \$500, which we hope you will use to purchase Identity Theft Protection.

We have reduced the fee applicable to the first \$1,000,000 of your accounts from 1% to .95% annually, or \$500.

This credit to your fee is automatic, and you do not need to confirm to us that you have purchased Identity Theft Protection.

But we hope you will!

Identity Theft Protection services are available from:

Lifelock (www.lifelock.com)
and may be available through your bank or other vendors.

We also recommend that you use a two-step log on to your account or a password mechanical fob available through your broker and make your account password unique to the broker's website and complex per internet standards and recommendations.

Thank you for your many years as a Client of our Firm.