July 10, 2015

Dear Valued Customer,

Here at AeroGrow International, Inc., we take the security of our customers' information seriously. Unfortunately, like many companies in today's global digital economy, we recently received information suggesting that we may have experienced a data compromise. We hired cybersecurity specialists to investigate the incident. As a result of this investigation, we determined on June 10, 2015, that a hacker used malicious software (malware) to infiltrate our on-line servers, which are hosted by a leading service provider. Within days of being notified of the hacking event, the cause of the compromise had been eradicated.

However, as a result of this unauthorized event some information linked to credit cards may have been acquired. This information may include name, address, payment card account number, expiration date, and CCV/CVV number. AeroGrow does not collect other personal information about its customers, such as Social Security number, personal identification number (PIN), driver's license number, or financial account information, and as a result, none of this type of personal information was at risk of being compromised.

Of course we regret that this malicious hacking event occurred, but we want you to know a few important things:

- It is safe to shop at AeroGarden.com. The malware used to capture personal information has been eliminated.
- Order information that you provided during the period of October 15, 2014 – June 10, 2015 may have been acquired. If your credit card information was compromised, it does not mean you are a victim of fraud. If you suspect that your credit card was used fraudulently, promptly notify the credit card company.
- We do not store, and have never stored, your credit card information on any of our systems. Any information obtained was captured by the malware in the fraction of a second between data entry and the transmission to our credit card processing company.
- As noted above, we do not collect any PIN information. As a result, even if someone gained access to your card information, without your PIN they cannot visit an ATM with a fraudulent debit card and withdraw cash.
- Out of an abundance of caution and at no cost to you, we are offering you free access to ProtectMyID Elite, an identity protection product provided by Experian, a leading national credit bureau. Full details of this program are provided on page 2.

I am personally troubled and offended by this criminal activity. As a result, we have alerted law enforcement authorities in an effort to help eradicate this type of crime and to help protect anyone who uses a credit card for shopping. In addition, on page 2 you will find a detailed list of strategies on how best to protect credit card information in today's digital economy.

If you have any questions about this situation, our Customer Service team is available toll-free at 1-866-348-1808 from 8 am - 5 pm Mountain Time, Monday - Friday.

I want to sincerely apologize for this incident, and I regret any inconvenience it may have caused you. As we've all read in the news in the past few years, many of us have been impacted by security breaches at major retailers and institutions. In fact, I was personally affected by one of those large breaches, so I've taken an emotional and personal interest in this topic. I want to assure you that we take this criminal act very seriously and have addressed it thoroughly.

Thank you for your continued confidence and support.

Mike Wolfe

J. Michael Wolfe
President & CEO

Steps To Protect the Security of Your Personal Information

By taking the following steps, you can help reduce the risk that your personal information may be misused.

1. **Enroll in ProtectMyID Elite,** the product that we are providing at no cost to you. You must personally activate the identity protection product for it to be effective. If you wish to enroll in ProtectMyID Elite, please do the following:

- **VISIT** The ProtectMyID Elite Web Site: http://www.protectmyid.com/protect or call 1-866-751-1324 to enroll
- **PROVIDE** Your Activation Code: **PEBB62HZA** Enrollment Deadline: **Sept. 30, 2015**

If you prefer to enroll over the phone for delivery of your membership via US mail, please call Experian at 1-866-751-1324 and provide Engagement #: PC95095. Enrolling in ProtectMyID Elite will not affect your credit score.

Experian's ProtectMyID Elite product will provide the following:

- **Credit Report**: A free copy of your Experian credit report.
- **Daily Credit Monitoring**: Alerts you of suspicious activity including new inquiries, newly opened accounts, delinquencies, or medical collections.
- **Identity Theft Resolution**: If you have been a victim of identity theft, you will be assigned a dedicated, U.S.-based Experian Identity Theft Resolution Agent who will walk you through the fraud resolution process.
- **$1 Million Identity Theft Insurance**: As a ProtectMyID Elite member, you are immediately covered by a $1 Million insurance policy that may help you cover certain costs, such as lost wages, private investigator fees, and unauthorized electronic fund transfers.

2. **Review your credit reports.** You can receive free credit reports by placing a fraud alert (described below). Under federal law, you also are entitled every 12 months to one free copy of your credit report from each of the three national credit bureaus. To obtain a free annual credit report, go to www.annualcreditreport.com or call 1-877-322-8228. You may wish to stagger your requests so that you receive a free report from one of the three credit bureaus every four months.

3. **Review your account statements.** You should carefully review for suspicious activity the statements that you receive from credit card companies, banks, utilities, and other service providers.

4. **Remain vigilant and respond to suspicious activity.** If you receive an e-mail or mail alert from Experian, contact a ProtectMyID Elite fraud resolution representative *Toll-Free* at 1-866-751-1324 or http://www.protectmyid.com/protect. If you notice suspicious activity on an account statement, report it to your credit card company or service provider and consider closing the account. You also should consider reporting such activity to your local police department, your state's attorney general, and the Federal Trade Commission.

5. **Consider placing a fraud alert with one of the three national credit bureaus.** You can place an initial fraud alert by contacting one of the three national credit bureaus listed below. For 90 days, an initial fraud alert tells creditors to follow certain procedures, including contacting you, before they open any new accounts or change your existing accounts. For that reason, placing a fraud alert can protect you but also may delay you when you seek to obtain credit. If you decide to enroll in ProtectMyID Elite, you should place the fraud alert after enrolling. Contact information for all three bureaus is:

Equifax	Experian	TransUnion
P.O. Box 105069	P.O. Box 2104	P.O. Box 2000
Atlanta, GA 30348-5069	Allen, TX 75013	Chester, PA 19022
1-800-525-6285	1-888-397-3742	1-800-680-7289
www.equifax.com	www.experian.com	www.transunion.com

7. **Additional Information.** You can obtain additional information about steps you can take to avoid identity theft from the following:

Identity Theft Clearinghouse
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
http://www.ftc.gov/bcp/edu/microsites/idtheft/
(877) IDTHEFT (438-4338)
TDD: (866) 653-4261

July 10, 2015

Dear Valued Customer,

We recently sent you a letter informing you of a security incident that might affect you. We are now writing to provide you with updated information about this security incident.

After we eradicated the initial infiltration into our system (as we previously informed you), our systems were attacked again by, we believe, the same hacker. This hacker is a sophisticated and persistent criminal with detailed knowledge of how to exploit online shopping cart systems. We discovered on June 10, 2015, that the hacker managed to circumvent the safeguards we had implemented after the initial attack. We worked into the night in response to this discovery, and on the same day, successfully eradicated the malicious software that caused the second attack.

However, the hacker may have acquired personal information entered into the AeroGrow website by customers during the period of May 13, 2015 to June 10, 2015. This personal information could include name, address information, payment card account number, expiration date, and CCV/CVV. As with the prior attack, we can say with certainty that the hacker did not obtain other personal information, such as Social Security number, personal identification number (PIN), driver's license number, or financial account number, because AeroGrow does not collect that information from its customers. In addition, although your credit card information may be at risk, our investigation did not show that this information was actually acquired or misused.

We are now confident that we have thwarted this criminal and that it is safe to shop on AeroGarden.com. This hacker attacked our system again before we could complete our security plan in response to the first attack. Those security measures are now in place. In addition, we conducted a second, comprehensive review of our systems in an effort to prevent a recurrence.

In our initial letter to you, we provided information on how you can enroll, at no cost to you, in ProtectMyID Elite, an identity protection product provided by Experian. We also provided you with a list of steps that you can consider taking to protect the security of your personal information. If you have not already reviewed, and acted on, that information, we encourage you to do so at your earliest convenience. If you have any questions about this situation, our Customer Service team is available at 1-866-438-1808 between 8:30AM – 5:00PM Mountain Time, Monday - Friday.

Please know that we deeply regret this security incident. Unfortunately, like other companies in today's global economy and even the federal government, we were targeted by criminal cyber attackers. We remain steadfast in our commitment to protecting the security of your personal information and to providing you information to help you protect yourself.

Sincerely,

Mike Wolfe

J. Michael Wolfe
President & CEO

[illegible] PO Box 18350 Boulder, CO 80308 USA