

STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF CORPORATIONS

To: Prosper Marketplace, Inc.  
111 Sutter Street  
22<sup>nd</sup> Floor  
San Francisco, CA 94104

CONSENT AGREEMENT

This Consent Agreement (“Agreement”) is entered into by and between the California Corporations Commissioner (“Commissioner”), and Prosper Marketplace, Inc.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the parties agree as follows:

1. At all relevant times, Prosper Marketplace, Inc. (Prosper) has been a Delaware corporation, with its principal place of business currently located at 111 Sutter Street, 22<sup>nd</sup> Floor San Francisco, California 94104.
2. Prosper has operated an online lending platform connecting individuals who wish to borrow money (“borrowers”) with individuals who wished to commit to purchase loans extended to borrowers (“lenders”). Prosper’s lending platform makes possible loans between individual lenders and individual borrowers. Prosper’s social lending model typically involves loans in relatively small principal amounts.
3. By operating its platform, Prosper has allowed thousands of borrowers to borrow money to meet their financial objectives.
4. Because of Prosper’s involvement in the lending process, the California Department of Corporations has regulatory authority over certain of Prosper’s activities. As a result, since

December 19, 2005, Prosper has been licensed as a California Finance Lender under California Financial Code Section 22000 *et seq.*

5. The Commissioner presented the question of whether issuance of a security is involved in the operation of Prosper's lending platform, and Prosper offered its perspective to the Commissioner on this issue.

6. After reviewing Prosper's business and the operation of its lending platform, the Department of Corporations determined not to require Prosper to register under Title 4 of the California Corporations Code.

7. Since that determination, and effective October 15, 2008, Prosper ceased lending activity, changed its business plan and the operation of its platform, and filed a registration statement with the United States Securities and Exchange Commission ("SEC") to register the offer and sale of certain securities. In connection with that registration statement, on December 10, 2008, Prosper filed with the Department of Corporations a new page 1 of the Form U-1 and a Form U-2 and an amended registration statement, including exhibits and two copies of the preliminary prospectus dated December 5, 2008. Subsequent amendments to the registration statement were filed with the Department of Corporations on or about January 22, 2009 and April 20, 2009.

8. Prosper has informed that Department of Corporations that it does not intend to solicit new lenders in the State of California until the company's registration statement has been declared effective by the SEC and/or by the State of California.

9. Prosper has fully cooperated with the California Department of Corporations in its inquiries into Prosper's business and the operation of its lending platform.

10. The Commissioner reserves the right to bring any future actions against Prosper or any of its partners, owners, employees or successors for any and all unknown or future violations of the California Corporate Securities Law of 1968.

11. The parties further acknowledge and agree that nothing contained in this Agreement shall operate to limit the Commissioner's ability to assist any other agencies with any prosecution, administrative, civil or criminal, brought by any such agency against Prosper based upon any of the activities alleged in this matter or otherwise. Each of the parties represents, warrants, and agrees that in executing this Agreement it has relied solely on the statements set forth herein and the advice of its own counsel and has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever.

12. Based on the foregoing, the California Corporations Commissioner finds that no further action is necessary on behalf of the California Department of Corporations.

Dated: 4/21/09

PRESTON DUFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_

Dated:

Prosper Marketplace, Inc.

By \_\_\_\_\_  
Christian A. Larsen, CEO & President