



**Supplement to Prospectus Dated July 13, 2009
For Distribution Solely in the State of Connecticut**

On July 27, 2009, Prosper Marketplace, Inc. (“Prosper”) and the Banking Commissioner for the Department of Banking of the State of Connecticut executed a Consent Order to resolve matters relating to Prosper’s offers and sales of unregistered securities, and the omission of material facts in connection with such offers and sales, that took place between 2006 and October of 2008. (*In the Matter of: Prosper Marketplace, Inc.*, No. CO-09-7705-S.) Pursuant to the Consent Order, in which Prosper neither admitted nor denied any of the allegations or findings contained in the Order, Prosper paid the State of Connecticut the sum of \$12,602.

The Consent Order was based on a settlement entered into on November 26, 2008 between Prosper and the North American Securities Administrators Association, or “NASAA,” and a template consent order finalized between Prosper and NASAA on April 21, 2009, which is described on pages 75-76 of the Prospectus dated July 13, 2009.

Date: July 27, 2009