

Date: [Insert Date]

VIA: [Certified Mail / Formal Process Server]

To: [Recipient Name/Officer Name]

[Recipient Company Name]

[Address Line 1]

[Address Line 2]

RE: FORMAL NOTICE OF BREACH OF SUBORDINATION AGREEMENT

Dear [Recipient Name],

This letter serves as formal notice that [Recipient Company Name] is in direct violation of the Subordination Agreement executed on [Date of Agreement] between [Junior Creditor Name], [Senior Creditor Name], and [Debtor Name].

Specifically, the following violation(s) have occurred:

- [Describe violation, e.g., Acceptance of prohibited payments]
- [Describe violation, e.g., Failure to turn over proceeds]
- [Describe violation, e.g., Attempted foreclosure in violation of standstill provisions]

Pursuant to Section [Insert Section Number] of the Agreement, [Recipient Company Name] is strictly prohibited from [Action that was violated] until the Senior Debt is satisfied in full. These actions constitute a material breach of the contract.

Demand is hereby made that you:

1. Immediately cease and desist all further violations of the Agreement;
2. Remit any funds received in violation of the Agreement to [Name] within [Number] business days;
3. Provide written confirmation that you will restore the priority status as defined in the Agreement.

Failure to cure this breach and provide the requested confirmation by [Deadline Date] will result in [Senior Creditor Name] pursuing all available legal and equitable remedies, including litigation to recover damages and legal fees.

Please govern yourself accordingly.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Company]

[Your Contact Information]

cc: [Legal Counsel Name]