

URGENT: FORMAL NOTICE OF DEFAULT AND DEMAND TO CEASE AND DESIST

Date: [Insert Date]

To:

[Junior Creditor Name]
[Legal Department/Address]
[City, State, Zip Code]

CC:

[Borrower Name]

RE: Violation of Senior Debt Priority and Intercreditor Agreement

To [Contact Name or Legal Representative],

This letter serves as formal notice that [Your Financial Institution Name] ("Senior Lender") has identified a material violation of the debt priority rankings and subordination terms established under the [Title of Agreement, e.g., Intercreditor Agreement] dated [Date].

Specifically, it has come to our attention that:

- [Describe violation, e.g., Junior Creditor accepted a principal payment while Senior Debt remains outstanding].
- [Describe violation, e.g., Junior Creditor attempted to foreclose on collateral pledged as primary security to Senior Lender].

Under the terms of the aforementioned agreement, [Your Financial Institution Name] holds senior priority regarding [Description of Collateral or Payment Stream]. Your recent actions constitute a breach of the subordination provisions, which prohibit [Junior Creditor Name] from receiving or retaining payments until the Senior Debt is satisfied in full.

DEMAND IS HEREBY MADE THAT YOU:

1. Immediately cease and desist from any further collection activities or interference with the Senior Lender's collateral.
2. Remit any funds received in violation of this priority to [Your Financial Institution Name] within [Number] business days.
3. Provide written confirmation of your intent to comply with the established debt hierarchy moving forward.

Failure to remedy this violation by [Deadline Date] will result in [Your Financial Institution Name] exercising all available legal and equitable remedies, including but not limited to litigation, the acceleration of the Borrower's underlying obligations, and seeking damages for tortious interference.

This letter is sent without prejudice to any other rights or remedies available to us under law or contract.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Position]

[Your Financial Institution Name]