

head>

[Sender Name/Company Name]
[Sender Address]
[City, State, Zip Code]
[Date]

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

RE: NOTICE OF NONCOMPLIANCE WITH SUBORDINATION AGREEMENT

To [Junior Creditor Contact Person],

This letter serves as formal notice that you are in violation of the Subordination Agreement dated [Date of Agreement] between [Senior Creditor Name], [Junior Creditor Name], and [Debtor Name].

Specifically, it has come to our attention that you have engaged in the following noncompliant actions:

- [Describe violation, e.g., Acceptance of prohibited interest payments]
- [Describe violation, e.g., Failure to turn over recovered collateral]
- [Describe violation, e.g., Filing of unauthorized legal proceedings against the Debtor]

Under Section [Number] of the Subordination Agreement, the Junior Indebtedness is strictly subordinated in right of payment and priority to the Senior Indebtedness. Your recent actions constitute a material breach of these terms.

Demand is hereby made that you:

1. Immediately cease and desist from receiving or soliciting further payments from the Debtor until the Senior Indebtedness is satisfied in full.
2. Remit to [Senior Creditor Name] the sum of \$[Amount], representing payments received in violation of the Agreement, within [Number] business days.
3. Provide written confirmation that you have rescinded any unauthorized legal actions or liens.

Failure to cure this noncompliance by [Deadline Date] will result in [Senior Creditor Name] pursuing all available legal and equitable remedies, including but not limited to litigation, specific performance, and the recovery of attorney fees as provided in the Agreement.

Please govern yourself accordingly.

Sincerely,

[Signature]

[Typed Name]

[Title]

[Phone Number/Email]

cc: [Debtor Name]