

December 20, 2016

To: The Creditors of IPsmarx Technology Inc.

**Re: In the Matter of the Proposal of IPsmarx Technology Inc.
Estate Number 31-1923787
Notice of Default**

IPsmarx Technology Inc. (the “**Debtor**”) has informed us that it is not able to meet its obligations under its Amended Proposal dated January 12, 2015 (the “**Proposal**”).

The Debtor has advised us that it ceased operations on December 5, 2016, that it will no longer carry on business and will not be able to perform its remaining obligations to its creditors under the Proposal.

Enclosed with this letter is the statutory Notice of Default in the Performance of a Proposal. As set out in the Notice, the Proposal Trustee intends to apply for its discharge without annulling the Proposal. The creditors may take proceedings to annul the Proposal and place the Debtor in bankruptcy at their own expense.

Performance of Proposal to Date

The Proposal (as amended) was accepted by the creditors at the meeting of creditors held on January 12, 2015. The Proposal was approved by the Court on April 17, 2015.

The Proposal called for the Debtor to make four (4) annual payments of \$20,000 to the Proposal Trustee, with the first payment of \$20,000 to be paid within 12 months of Court approval.

The Proposal also stipulated that that the Debtor’s legal fees on and incidental to the Proposal were included in Administrative Fees and Expenses, which forms a priority charge over the funds to be paid under the Proposal. At the time of preparing the Proposal, no significant legal fees were anticipated.

Subsequent to the approval of the Proposal by the creditors, the Debtor found it necessary to retain counsel to address the objections of certain creditors and to deal with motions and examinations in the Proposal approval process and significant legal fees were incurred.

The payments made by the Debtor for legal fees on and incidental to the Proposal are \$33,761.23. Copies of the paid legal accounts have been provided to the Proposal Trustee, are subject to taxation, and will be taxed.

Waiver of Default

Although 30 days has not passed to allow the Debtor to remedy the default in the Proposal, the Debtor has elected to not seek a waiver of the default as it is unable to carry on business.

Yours truly,

LINK & ASSOCIATES INC.

Trustee in re Proposal of IPsmarx Technology Inc.

Per: 

District of: Ontario
Division No. 09 - Toronto
Court No. 31-1923787
Estate No. 31-1923787

FORM 43

Notice of Default in the Performance of a Proposal
(Section 62.1 of the Act)

In the matter of the proposal of
IPSMARX TECHNOLOGY INC.
of the City of Toronto, in the Province of Ontario

Take notice that:

1. There has been a default in the performance of a provision in the proposal of IPSMARX TECHNOLOGY INC., a copy of which proposal was filed with the official receiver on the 12th day of January 2015.
2. The default was not waived by the inspectors (or, if there are no inspectors, by the creditors) and was not remedied by the insolvent person within 30 days after the date on which the default occurred.
(Please check applicable box)
3. The undersigned trustee, acting with respect to the proposal, will be proceeding to Court to annul the proposal.
- or
3. The undersigned trustee, acting with respect to the proposal, intends to apply for a discharge without annulling the proposal.
4. Creditors may take proceedings to annul the proposal and place IPSMARX TECHNOLOGY INC. in bankruptcy at their own expense.

Dated at the City of Toronto in the Province of Ontario, this 20th day of December 2016.

Link & Associates Inc.

Per:



Robert G. Link - Licensed Insolvency Trustee
P.O. Box 95, TD Centre North Tower
Suite 3000, 77 King Street West
Toronto ON M5K 1G8
Phone: (416) 862-7785 Fax: (416) 862-2136

Court No. 31-1923787

Estate No. 31-1923787

In the matter of the proposal of
IPSMARX TECHNOLOGY INC.
of the City of Toronto, in the Province of Ontario

Form 43 (Bill C-12)
Notice of default in the performance of a proposal

Link & Associates Inc.
Per:

Robert G. Link - Licensed Insolvency Trustee
P.O. Box 95, TD Centre North Tower
Suite 3000, 77 King Street West
Toronto ON M5K 1G8
Phone: (416) 862-7785 Fax: (416) 862-2136