

December 17, 2012

To: Creditors of Frontline Technologies Inc. (the "Company")

We are writing to advise you that on December 11, 2012, the Company commenced proposal proceedings pursuant to the provisions of Section 50.4 of the *Bankruptcy and Insolvency Act* ("BIA") by filing a Notice of Intention to Make a Proposal ("NOI"). A copy of the NOI is enclosed. Duff & Phelps Canada Restructuring Inc. has consented to act as trustee under the NOI ("Trustee").

Although the NOI proceeding is pursuant to the BIA, it is important to note that the Company is not bankrupt.

At present, creditors are not required to file a proof of claim. The Trustee will provide you with further information and a proof of claim form at a later date.

Please note that during the Company's restructuring proceedings, it is continuing to carry on its operations in the normal course under the direction of its management. Specifically, the Company is developing a restructuring plan focused on two core strategic initiatives: 1) an orderly wind-down of its trading platform business while it transitions customers on an expedited basis to new service providers; and 2) continuing to operate the IT outsourcing business of its related company, Frontline Technologies Corporation, as a going-concern and implementing key changes to the business so that it may be viable in the long-run.

During the restructuring proceedings:

- No person may terminate or amend any agreement with the Company, or claim an accelerated payment, or a forfeiture of the term, under any agreement with the Company, by reason only that the Company is insolvent or by reason of the filing of the Notice of Intention, pursuant to Section 65.1(1) of the BIA;
- No creditor has any remedy against the Company or its property or shall commence or continue any action, execution, or other proceedings against the Company, pursuant to Section 69.1(1) of the BIA; and
- Suppliers should discuss directly with their usual Company representative the terms of payment for goods and/or services that they provide to the Company.

Yours very truly,

Duff + Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF FRONTLINE TECHNOLOGIES INC.**

Encl.

Notice of Intention to Make a Proposal
[Subsection 50.4(1)]

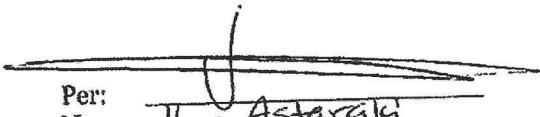
**IN THE MATTER OF THE PROPOSAL OF
FRONTLINE TECHNOLOGIES INC.**

TAKE NOTICE THAT:

1. Frontline Technologies Inc. ("Frontline"), an insolvent person, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, intends to make a proposal to its creditors.
2. **DUFF & PHELPS CANADA RESTRUCTURING INC.** of 333 Bay Street, 14th Floor, Toronto, Ontario, a licensed trustee, has consented to act as trustee under the proposal and a copy of the consent is attached hereto.
3. A list of the names of the known creditors with claims amounting to \$250 or more and the amounts of their claims is attached.
4. Pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, all proceedings against Frontline are stayed as of the date of filing this notice with the Official Receiver in its locality.

DATED at Toronto, Ontario this 11th day of December, 2012

FRONTLINE TECHNOLOGIES INC.

Per: 
Name: Hoss Astaraki
Title: Chairman & CEO

**IN THE MATTER OF THE PROPOSAL OF
FRONTLINE TECHNOLOGIES INC.**

CONSENT

DUFF & PHELPS CANADA RESTRUCTURING INC., hereby consents to act as Trustee under the Notice of Intention to Make a Proposal and/or Proposal to be filed by Frontline Technologies Inc.

DATED at Toronto, Ontario this 11th day of December, 2012.

DUFF & PHELPS CANADA RESTRUCTURING INC.

Per: 

Name: *Robert Peterson*

Title: Authorized Signing Officer

In the Matter of the Proposal of Frontline Technologies Inc.
of the City of Toronto, in the Province of Ontario

Preliminary List of Creditors as at December 11, 2012, as Submitted by the Company,
Without Admission as to any Liability or Privilege Herein Shown.

Company Name	Account No.	Address	Amount Due (\$)
ACTIV Financial Systems Inc		120 East Liberty Drive, Suite 200, Wheaton, IL, USA 60187	162,261.85
Alpha Trading Systems Limited Partnership		70 York Street, Suite 1501, Toronto, ON M5J 1S9	1,130.00
Alpha Trading Systems Limited Partnership		70 York Street, Suite 1501, Toronto, ON M5J 1S9	26,125.61
Bourse de Montreal Inc.		Tour de la Bourse, CP 61, 800 Square Victoria, Montreal QC H4Z 1A9	1,412.50
Brambles Canada Inc.		DBA Recali; C/O TH1207; P.O. Box 4290 Stn A, Toronto, ON M5W 0E1	1,284.22
Canada Revenue Agency	140228669RP0001, 140228669RC0003, 140228669 RT0001	Collection Division - 5001 Yonge Street, Suite 1000, North York, ON M2N 6R8 PO Box 414527, Boston, MA, USA, 02241-4527	Unknown
Charles River Development		Attn: Accounts Receivable PO Box 73672 Chicago, IL, USA 60673-7672	1,123.79
Chicago Mercantile Exchange Inc		c/o T10010, P.O. Box 10010, Postal Station A, Toronto, ON M5W 2B1	3,706.29
Chi-X Canada ATS Limited		220 Bay Street, 9th Floor, Toronto, ON M5J 2W4	3,792.84
CNSX Markets Inc.		41 Roxborough Street East, Toronto, ON M4W 1V5	10,410.69
Deborah Robinson		4252 Solutions Center, Chicago, USD, 60677-4002	500.00
Equinix, Inc.	774252	488 Carlingview Drive, Etobicoke, ON M9W 6M8	7,051.47
FileBank Record Centre Ltd		Corporate Development Strategies, 73 Simcoe Street, Suite 307, Toronto, ON M5J 1W9	868.88
Gitti.ca (Laurie M. Clark)		Ministere Du Revenue, 3, Complexe Desjardins, Montreal, QC H5B 1A4	12,995.00
Gouvernement Du Quebec		3270 Lakeland Crescent, Burlington, ON L7L 1B8	Unknown
Ian Camacho	Ent #1160601143, ID #10898, TQ0002	PO Box 98616, Chicago, IL, USA, 60693	6,790.00
Interactive Data Real-Time Services		130 King Street West, Suite 1040, The Exchange Tower - Attn: K. Gutierrez, Toronto, ON M5X 1B1	5,505.21
ITG Net		400 South LaSalle St, Chicago, IL, US, 60605	1,118.70
Market Data Express		6th Floor, 33 King Street West, Oshawa, ON L1H 8H5	443.13
Ministry of Finance - EHT		1 Oliver's Yard, 55-71 City Road, London, UK EC1Y 1HQ	Unknown
Morningstar Real-Time Data Limited		201 Carlaw Avenue Suite 303, Toronto, ON M4M 2S3	4,447.55
MyCIO Services Inc.	140228669TE0001	1 Place Ville Marie, Suite 2500, Montreal, QC H3B 1R1	22,600.00
Norton Rose Canada LLP		Box 223662, Pittsburgh, PA, USA 15251-2662	1,966.76
NYSE TECHNOLOGIES		400 South LaSalle, Chicago, IL, USA, 60605	5,245.07
Options Price Reporting Authority		CP 4000, Succursale Desjardins, Montreal, QC H5B 1A5	1,498.50
Quebec Minister of Revenue - QST		Radianz Americas Inc, Dept CH 19227, Palatine, IL, USA, 60055-9227	Unknown
Radianz Inc.	Ent #1160601143, ID #10898, RS0001	Dept CH 17502, Palatine, IL, US, 60055-7502	2,178.00
Reliance Globalcom Services Inc		5520 Explorer Drive, Mississauga, ON L4W 5L1	9,202.53
Ricoh Canada Inc.		150 W. 38th Street 4th Floor, New York, NY, US, 10018	693.94
SDS Financial Technologies		1800 2nd Street, Suite 955, Sarasota, FL 34236	35,305.54
Silexx Financial Markets Inc		77 King Street West, Suite 4130, P.O. Box 140, Toronto Dominion Center, Toronto, ON M5K 1H1	350,000.00
Stockwoods LLP		Lockbox 10200 PO Box 8500, Philadelphia, PA, USA, 19178-0200	11,728.73
The NASDAQ Stock Market		The Exchange Tower, Box 421, 130 King Street West, Toronto, ON, M5X 1J2	52,556.06
The Toronto Stock Exchange		The Exchange Tower, Box 421, 130 King Street West, Toronto, ON, M5X 1J2	54,240.00
The Toronto Stock Exchange		130 King Street West, Suite 1040, Toronto, ON M5X 1B1	53,923.60
TriAct Canada Marketplace		310, 606 4th Street SW, Calgary, AB T2P 1T1	565.00
Valiant Trust Company		Credit Card Payment Centre, PO Box 4016 Station A, Toronto, Ontario, M5W2E6	3,827.30
RBC Royal Bank	RBC Visa 4516070007160122/0130		\$3,042.64
			859,531.40