



The Internet Corporation for Assigned Names and Numbers

TRANSMITTED VIA FACSIMILE, ELECTRONIC MAIL AND COURIER

18 October 2011

Mr. Chris Jeske
Cheapies.com Inc. (IANA ID 1039)
599-B Yonge Street Suite 511
Toronto, Ontario M4Y 1Z4
Canada

RE: NOTICE OF BREACH OF REGISTRAR ACCREDITATION AGREEMENT

Dear Mr. Jeske:

Please be advised that as of the date of this letter, Cheapies.com Inc. ("Cheapies") is in breach of its Registrar Accreditation Agreement ("RAA") with the Internet Corporation for Assigned Names and Numbers ("ICANN") dated 15 February 2011 ("RAA"). This breach results from:

- Cheapies' failure to escrow gTLD registration data pursuant to Section 3.6 of the RAA.

In addition, ICANN is concerned that Cheapies failed to respond to most of ICANN's correspondence concerning this breach in the past few months. We set out in the attachment hereto details regarding the breach.

We request that Cheapies cure this breach within 15 working days from the date of this letter by depositing its escrow registration data "on a schedule, under the terms, and in the format specified by ICANN" pursuant to Section 3.6 of the RAA. If Cheapies fails to cure the breach, ICANN may commence the termination process.

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Should you have questions or require assistance, please feel free to contact me at stacy.burnette@icann.org.

Very truly yours,

A handwritten signature in blue ink that reads "Stacy Burnette". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stacy Burnette
Director,
Contractual Compliance



ATTACHMENT

Failure to Escrow gTLD Registration Data

Section 3.6 of the RAA requires Cheapies, “on a schedule, under the terms, and in the format specified by ICANN” to “submit an electronic copy of the database described in Subsection 3.4.1 (of the RAA) to ICANN or, at its expense, to a reputable escrow agent mutually approved by Registrar and ICANN.”

Our records show that Cheapies is required to escrow data with Iron Mountain Intellectual Property Management, Inc. (“Iron Mountain”) on a weekly basis. However, based on the reports provided by Iron Mountain to ICANN over the past few months, it appears that Cheapies repeatedly failed to deposit data. More specifically:

The last full successful deposit by Cheapies was received on 22 September 2011. As such, Cheapies missed two required data escrow deposits on 30 September 2011 and 3 October 2011.

For a period of four weeks, between 18 March 2011 and 12 April 2011 no deposits were received by Iron Mountain from Cheapies.

For a period of one week, between 29 April 2011 and 1 May 2011 no deposit was received by Iron Mountain from Cheapies.

For a period of six weeks, between 10 May 2011 and 13 June 2011 no deposits were received by Iron Mountain from Cheapies.

For a period of three weeks, between 29 June 2011 and 11 July 2011 no deposits were received by Iron Mountain from Cheapies.

For a period of five weeks, between 20 July 2011 and 23 August 2011 no deposits were received by Iron Mountain from Cheapies.

For a period of four weeks, between 1 September and 21 September 2011 no deposits were received by Iron Mountain from Cheapies.

We note that Cheapies made successful deposits on 10 March 2011, 13 and 21 April 2011, 2 May 2011, 14 and 21 June 2011, 12 July 2011, 24 August 2011 and 22 September 2011.



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As evidenced by the above chronology, it is clear that Cheapies repeatedly failed to escrow registration data “on a schedule, under the terms, and in the format specified by ICANN and such failure constitutes a breach of Section 3.6 of the RAA.

Below is a chronology of our correspondence and other attempts to contact Cheapies to date:

- 4 January 2011 Sent email regarding RDE missed deposits to chris@cheapies.com concerning last deposit made on 23 December 2010.
- 2 February 2011 Sent email regarding RDE missed deposits to chris@cheapies.com concerning last deposit made on 6 January 2011.
- 7 April 2011 Sent email regarding RDE missed deposits to chris@cheapies.com concerning last deposit made on 10 March 2011.
- 11 April 2011 E-mail received from chris@cheapeis.com advising that the registrar had experienced a hardware failure and had to rebuild its server. The message further stated, “At the moment, the process is a manual one, and sometimes it escapes us. I’ll see what we can do to get it automated this week.”
- 7 June 2011 Sent email regarding RDE missed deposits to chris@cheapies.com concerning last deposit made on 2 May 2011.
- 4 July 2011 Sent email regarding RDE missed deposits to chris@cheapies.com concerning last deposit made on 21 June 2011.
- 29 July 2011 Sent email regarding “RDE Fail Audit Invalid Header Row Issue” to chris@cheapies.com.
- 15 August 2011 Sent email regarding “RDE Fail Audit Invalid Header Row Issue” to chris@cheapies.com.
- 30 August 2011 Phone call attempt to Chris Jeske at +1 866 707 7633, left a message, however received no return call or email reply.
- 31 August 2011 Final warning email sent to chris@cheapies.com regarding “RDE Fail Audit Invalid Header Row Issue.”



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- 7 September 2011 Final warning email regarding RDE missed deposits sent to chris@cheapies.com, last deposit made on 24 August 2011. Also, requested RADAR update.
- 7 September 2011 Email received from chris@cheapies.com advising that the corrections to the Header Row Issue had been made. However, Iron Mountain advised ICANN that the matter remains unresolved.
- 9 September 2011 Email received from chris@cheapies.com advising that another deposit was made. After Cheapies' deposit on 7 September 2011, another deposit was not made until 22 September (one week's deposit being missed on the 14th).