



**Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.**

As previously disclosed in Part I, Item 2 of the VoIP, Inc. (the "Company") Form 10-Q for the quarter ended September 30, 2006, the Company as of September 30, 2006 owed the sum of \$2.8 million to a lender pursuant to a subordinated loan and security agreement (the "Loan Agreement"). Further, as disclosed at that time, the Company was not in compliance with certain covenants of the Loan Agreement as of September 30, 2006. Thereafter, the Company failed to make a payment due December 1, 2006 under the Loan Agreement and was declared in default by the lender as of December 15, 2006 and was provided until December 20, 2006 to cure the default. Subsequently, the lender extended the time to cure the default until January 3, 2007. The lender's default notice to the Company has demanded the entire principal amount of the loan plus unpaid interest, approximately \$2.4 million as of this date. In addition the lender has demanded that the Company pay the default rate of interest stated in the Loan Agreement of 17.5% per annum. Under the Loan Agreement, the lender has a security interest on all of the Company's assets, and as such it may choose to initiate foreclosure proceedings, which would have a material and negative impact on the Company's financial condition, and could impair its ability to continue its business.

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VoIP, INC.

Date: January 9, 2007

By:

/s/ Robert Staats  
Robert Staats  
Chief Accounting Officer