

Frequently Asked Questions Regarding the Liquidation of Cannon Surety, LLC

CLAIMS BAR DATE DECEMBER 19, 2025

The Superior Court of Wake County, North Carolina has declared Cannon Surety, LLC (Cannon) insolvent and has ordered the company into liquidation on October 17, 2025, effective November 4, 2025. The North Carolina Commissioner of Insurance, Mike Causey, was named as the Liquidator and Jeffrey Trendel was appointed as the Special Deputy Liquidator. These FAQs are designed to answer frequently asked questions about making claims and the liquidation process.

1. What happens when a company becomes insolvent and is liquidated?

Liquidation is similar to bankruptcy. When a company is liquidated, the liquidator collects the assets of the company and verifies the liabilities such as claim payment and bills. The liquidator then develops a plan to distribute the company's assets according to law and submits the plan to the Court for approval.

2. Have the Cannon bail bonds been cancelled?

All active bail bonds, if any, will be cancelled on December 4, 2025, at 11:59 PM EST as required by North Carolina statutes and as a result of the liquidation of Cannon.

3. Why is North Carolina involved?

Because Cannon was incorporated under the laws of the state of North Carolina.

4. Now that the bail bonds are cancelled, does this mean that the bond is exonerated?

Cancellation means that Cannon is no longer obligated to the court on the bond for forfeitures taken subsequent to the date of cancellation.

5. What about bail bonds that were ordered forfeited by a court prior to the December 4, 2025, cancellation?

These are considered to be valid forfeitures. The clerk of court/school board attorney may then wish to file a Proof of Claim with Cannon. This claim must be filed in accordance with the Proof of Claim process. At this time, the Liquidator cannot predict what amount, if any, will ultimately be approved or paid on this type or any other type of claim.

6. What about bail bonds that were ordered forfeited by a court after the December 4, 2025, cancellation?

These are considered to be invalid forfeitures as to Cannon's obligations on the bond.

7. How do I file a claim against Cannon?

If you believe you have a claim against Cannon you must file a proof of claim with the Liquidator by the bar date (December 19, 2025) using the appropriate form. To file by the bar date (December 19, 2025) the proof of claim form must be **postmarked no later than December 19, 2025, or received by the Liquidator no later than 11:59 PM EST on December 19, 2025.** Failure to file a timely claim may result in denial of your claim. If you have more than one claim against Cannon, a separate proof of claim must be submitted for each claim. You may make copies of the proof of claim form, request additional copies from the Liquidator or download the form from the Liquidator's website at <https://www.ncdoi.gov/insurance-industry/receiverships>.

8. What about the Proof of Claim (POC) process?

The Liquidator has implemented a claim's process and has adopted a Proof of Claim form for Bail Bond claims and other claims against Cannon. Claims will be subject to review by the Liquidator. The POC bar date (the last day for filing a timely POC) is December 19, 2025. Cannon will continue to accept any and all claims filed on the prescribed POC forms, however all POC forms received with a postmark after the bar date will be considered late.

9. The claims bar date has passed. Can I still file a POC?

Yes. Your POC will be considered a late claim and will have a lower priority class as far as distribution. If you believe that your POC should be considered a timely claim with a high priority class, you may include a letter stating the reasons you believe your claim should be considered timely and we will examine it. This does not mean that the priority class of your POC will be changed, but it is the only way you may attempt to get it changed.

10. If a claimant completes and submits a POC, does this mean the claim is approved?

No, because the Liquidator will evaluate the merits of the claim and damages suffered by the claimant. The Liquidator will then either approve the claim in full, deny the claim in full, or develop an independent quantification of the loss.

11. When will distribution of the Cannon estate occur?

The liquidation process is long and complicated. It is currently unknown when the liquidation will be concluded. If it is ultimately determined there will be a distribution to your creditor class, you will be notified.

12. If as a result of the cancellation, a judge for the defendant requires a new bail bond, will Cannon pay the premium? Is the agent who wrote the original bond obligated to write a new bond through another surety?

First, if premium is paid for a replacement bond, the person who paid the premium may file a Proof of Claim with the Liquidator for the premium attributable to the replacement of the cancelled bond(s). This claim must be filed in accordance with POC processes previously described. At this time, the Liquidator cannot make any representations as to an amount, if any, that will ultimately be approved or paid on this type or any other type of claim. Secondly, Cannon and the Liquidator do not require bail agents to post new bonds.

13. If a judge orders a new bail bond written, may the premium be paid from the defendant's collateral, if any, being held by the agent that secures the Cannon bail bond?

No, not without prior approval from the agent that holds the collateral.

14. What if the bail bond was ordered exonerated by the judge at the completion of the defendant's required court appearances and prior to the cancellation date of December 4, 2025?

The cancellation has no effect on bail bonds that were exonerated prior to the cancellation date.

15. I believe I have a claim against Cannon, but I am not a bail bond agent or a third-party claimant. How do I make a claim?

Claims filed against Cannon by general creditors, stockholders, trade creditors, governmental agencies, reinsurers, cedants, agents, employees, former officers and directors and other persons interested in the affairs of Cannon are handled by the Liquidator. If you have a claim to pursue against Cannon, you must file a completed proof of claim form with the Liquidator by the bar date (December 19, 2025). To file by the bar date (December 19, 2025) the proof of claim form must be **postmarked no later than December 19, 2025, or received by liquidator no later than 11:59 PM EST on December 19, 2025**. Failure to file a timely claim may result in denial of your claim. The mailing address for the liquidator is:

Liquidator of Cannon Surety, LLC
Attn: Rick Kilpatrick
1203 Mail Service Center.
Raleigh, N.C. 27699-1203

If you have more than one claim against Cannon, a separate proof of claim form must be submitted for each claim. You may make copies of the proof of claim form, request additional copies from the Liquidator using the address above or download the form from the Liquidator's website at <https://www.ncdoi.gov/insurance-industry/receiverships>.

A proof of claim form must be filed even if a claim was made against Cannon prior to liquidation. Whenever a claim is based upon an instrument in writing, a copy of the document should be attached to the proof of claim. Do not send originals to the Liquidator and save copies for your files. If the document has been destroyed, a statement of the facts and circumstances of the loss must be filed, under oath, with this claim.

16. How do I contact the Liquidator?

General questions about the liquidation procedures should be addressed to:

Liquidator of Cannon Surety, LLC
Attn: Rick Kilpatrick
1203 Mail Service Center
Raleigh, N.C. 27699-1203

Phone: (919) 807-6154

E-Mail: DOI-NCDOI.CannonSurety@ncdoi.gov

General Information about Claims

The Liquidator has established **11:59 PM EST, December 19, 2025, as the bar date.** To file by the bar date the completed proof of claim form must be **postmarked no later than December 19, 2025,** or **received by liquidator no later than 11:59 PM EST on December 19, 2025.** Failure to file a timely claim may result in denial of your claim or consideration of your claim at a lower priority level. If you have more than one claim against Cannon a separate proof of claim form must be submitted for each claim. You may make copies of the proof of claim form, request additional copies from the liquidator or download the form from the liquidator's website at <https://www.ncdoi.gov/insurance-industry/receiverships>.