

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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MEMORANDUM

To: Yellow Corp. Local Unions (including YRC Freight, Holland, New Penn and Reddaway)

From: John A. Murphy, National Freight Director and Co-Chair, TNFINC

Date: August 15, 2025

Re: Yellow Corporation Bankruptcy Update

TO ALL LOCAL UNIONS HAVING MEMBERS EMPLOYED OR FORMERLY EMPLOYED BY YELLOW CORPORATION AFFILIATES

This Memorandum is an important update to the Yellow Bankruptcy proceedings. Included below is a summary of the Yellow Bankruptcy Proceedings to date and information about what to expect moving forward. Please review this memo carefully.

I. YELLOW CORPORATION BANKRUPTCY SUMMARY

Yellow Corporation and its operating companies ("Yellow") filed for bankruptcy in the District of Delaware Bankruptcy Court on August 6, 2023. The International Union and TNFINC (the "Union") entered an appearance in the case on behalf of Local Teamster Unions whose members hold claims against Yellow's operating companies—YRC Inc., USF Holland, LLC, New Penn Motor Express, LLC, and USF Reddaway, Inc. Claims filed by the Union include contract claims for vacation pay, sick pay, and other paid time, as well as grievance pay. Health and Welfare and Pension Funds have entered their own appearances in the case and represent claims for unpaid pension, health and welfare fund contributions.

II. PLAN OF LIQUIDATION

Before payments from Yellow's estate can be distributed to unsecured creditors, Yellow must confirm a Plan of Reorganization, also known as a Plan of Liquidation ("Plan"), is presented to unsecured creditors, voted on by creditors, and ultimately confirmed by the Bankruptcy Court. A Plan of Liquidation describes the distributable value available for unsecured creditors and the scheduled order of payments to unsecured creditors.

On November 22, 2024, Yellow submitted a Plan to the Delaware Bankruptcy Court. Yellow revised the Plan several times over the subsequent months, requiring a similar revision and

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extension of voting deadlines. No vote of unsecured creditors took place regarding this Plan. On March 28, 2025, the Unsecured Creditors' Committee and Yellow filed a Joint Plan of Liquidation ("Joint Plan") which, along with explaining the distributable value and schedule of payments to creditors, also outlined a settlement structure between several Multi-Employer Pension Plans ("MEPPs") and Yellow. Subsequently, the Judge issued a statement regarding the ongoing MEPP litigation, which included a substantially different view of the MEPP litigation than the settlement contemplated within the Joint Plan. Based on the Judge's statement and view of the case, neither Yellow nor the Unsecured Creditors' Committee is pursuing the Joint Plan. Rather, Yellow, the Unsecured Creditors' Committee, and the MEPPs are engaging in further discussion about a potentially revised Joint Plan.

On July 29, 2025, Yellow filed a new Plan ("Fourth Amended Plan") which contemplates a waterfall structure, meaning claims are satisfied according to their statutory priority level and including no settlement with the various MEPP claimants. Under the Fourth Amended Plan, all undistributed proceeds will vest in a liquidating trust controlled by a Liquidating Trustee, to be designated by the Unsecured Creditors' Committee, of which the Teamsters are a member. The Liquidating Trustee will have the power to continue or settle any outstanding litigation and continue to object to or settle claims against Yellow's estate. The Liquidating Trustee will make distributions from the Trust to creditors according to the creditor's allowed claim.

The Plan also contemplates the following deadlines for potential confirmation:

- Objection Deadline is October 22, 2025, at 4:00 PM EST
- Voting Deadline is October 22, 2025, at 4:00 PM EST (The Union's directive to locals and members is that they need not vote on the Fourth Amended Plan. The Union will vote on local's and member's behalf.)
- Confirmation Hearing is November 5, 2025

It is only when a Plan of Liquidation is confirmed that members' claims can be satisfied. Currently, the Union is close to finalizing the outstanding contract-based claims members' hold against Yellow, including vacation, sick, personal days, and grievances.

When contract-based claims are paid, they will be paid according to the Bankruptcy Code. Specifically, a portion of former employee claims is given a "priority" position by the Bankruptcy Code. Specifically, the amount of an employee's claim that was accrued within 6 months of the bankruptcy filing must be paid in full, up to a cap of \$15,150.00. Any claim owed to employees that was accrued outside of 6 months prior to the bankruptcy filing is not priority and is not guaranteed to be paid. Bargaining unit members should understand that the repayment they may receive from Yellow could sit anywhere from a few hundred dollars to \$15,150.00, but not significantly more than that. Each member's situation, claims, and potential recovery is different. The Union cannot guarantee a particular outcome for any one member; but the Union is working diligently to maximize the recovery for all members.

Regarding WARN claims, on February 26, 2025, the Bankruptcy Judge issued a memorandum decision ruling in favor of Yellow, stating that Yellow was not required to give 60-

days' notice of the shutdown and is not liable to the members' for WARN damages. The Union appealed the decision to the District Court of Delaware, and the Union is currently continuing to pursue its appeal. Should the Union prevail at the District Court level, the maximum value of WARN damages available to members is 60-days of pay. Success is not guaranteed, so an estimation of a potential WARN distribution could be anywhere from \$0 to \$11,000.00 per eligible member. This figure does not account for normal withholdings.

III. NEXT STEPS AND TIMELINE MOVING FORWARD

The Union also believes that this Fourth Amended Plan structure may still be in flux, based on the many parties in interest which may request edits to the Plan, including the Union itself. It is the Union's estimation that no Plan will be confirmed sooner than November 5, 2025. Only after a Plan of Liquidation is confirmed can members be paid, so the Union does not believe payments will be made to members until sometime after November 5, 2025.

While a Plan structure is in flux, the Union's directive to locals and members who may have filed proofs of claim remains the same: You do not need to respond to or take any action concerning any plan of liquidation; You do not need to cast a vote for or against any Plan. The Union is representing locals and members in their contract (vacation, sick, other paid-time-off, and grievances) and WARN claims against Yellow. The Union will vote on your behalf either for or against any Plan put before the Court. The Union will make a decision on whether to support the Plan if the Union believes the plan facilitates the best possible recovery for employees and according to its duty of fair representation to all bargaining unit members.

IV. IMPORTANT FINAL UPDATE

If you have already closed your bank account, you should keep your address updated with your applicable Local Teamster Union. Estate disbursements will go directly to the individual employee, requiring either Yellow or IBT to have the most recent accurate address on file of members.