

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: February 11, 2025

Re: Yellow Corporation Bankruptcy Update

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

I. YELLOW CORPORATION BANKRUPTCY UPDATE

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”) have 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.

II. AWAITING DECISION ON WARN TRIAL

On January 21st through 23rd the Union advocated for bargaining unit members in trial regarding Yellow’s WARN Act liability. Previously the bankruptcy Judge found in favor of the Union that Yellow’s WARN notice was inadequate because it failed to supply a brief statement explaining its reason for supplying shortened (less than 60 days) notice. The two remaining issues for trial were 1) whether Yellow was excused from WARN liability because at the time of its WARN violation it was acting as a “liquidating fiduciary” was therefore not subject to the WARN Act, and 2) whether, if Yellow was acting as an employer at the time of its WARN Act violation, its violation was objectively reasonable and the notice drafters displayed good faith such that the Judge should reduce damages.

The Union is awaiting a decision from the Bankruptcy Judge as of February 11th. The Local Unions will be immediately notified when a decision is issued and its significance to employee recovery.

TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE

III. THE PLAN OF LIQUIDATION AND VOTING INSTRUCTIONS

On November 22, 2024, Yellow submitted a Plan of Liquidation (“Plan”) to the Delaware Bankruptcy Court. A Plan of Liquidation describes the amount of money a debtor holds and how the debtor will distribute that money to unsecured creditors according to legal and equitable requirements. Yellow’s current proposed Plan of Liquidation holds that former employees will receive their vacation paid out at 100%.

Previously, Yellow sent Plan information that detailed January 21st as the deadline to vote on the Plan. Yellow then continued the deadline to vote to February 11, 2025 and a Plan confirmation hearing of February 2, 2025. These deadlines have changed. Yellow has set a new schedule for confirmation, including a voting deadline of March 3, 2025 by 4:00 PM EST and a confirmation hearing of March 17, 2025.

While dates continue to be pushed out, 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 the Debtors’ Plan of Liquidation; You do not need to cast a vote for or against the 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 the Plan. 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 CONTACT INFORMATION REMINDER

Members should keep their addresses updated with their applicable Local Teamster Union. Estate disbursements will go directly to the individual employee, requiring either Yellow or the IBT to have the most recent accurate address on file of members.