

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: November 20, 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 "Teamsters" or "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 CONFIRMATION

On July 29, 2025, Yellow filed a Plan ("Fourth Amended Plan") of Reorganization which contemplates a waterfall structure, meaning claims are satisfied according to their statutory priority level. 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. On October 30 and 31, 2025, creditors voted on whether they would

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accept or reject the Fourth Amended Plan. Yellow received a majority votes in favor of accepting the Plan, allowing the Plan to move forward with a confirmation hearing.

On November 12, 2025, the Judge heard arguments in favor of confirming Yellow's Fourth Amended Plan. The Judge also heard arguments against confirmation made by MFN Partners Management, LP, ("MFN") an investment management firm which holds a majority equity stake in Yellow Corporation. MFN argued that the Fourth Amended Plan did not represent the best result for general unsecured creditors and that it was proposed in bad faith.

The Judge issued a decision on November 17, 2025, confirming the Plan, and rejecting MFN's arguments. The Judge's ruling is a significant milestone moving these Chapter 11 cases forward. And importantly, Plan confirmation is a pre-requisite for Yellow to make payments to employees or other unsecured creditors.

On November 18, 2025, MFN filed an appeal of the Judge's Confirmation Order. MFN may seek a stay of the confirmation order, which functions as a request to stop the Plan from going "Effective" pending the outcome of MFN's appeal of the Confirmation. A stay of the Confirmation Order could affect the timeline described below. Even if MFN requests a stay of the confirmation order pending its appeal, a request for stay may be denied by the Court, allowing the Plan to move forward. Several factors affect when the Plan will go Effective; the Teamsters will update members to material changes in the Plan timeline.

III. NEXT STEPS FOR EMPLOYEE CLAIMS

While a Plan is now confirmed, there are two necessary steps that must be completed in order for employees to be paid their contract-based claims. Those steps are 1) approval of a settlement by the Judge, and 2) the Fourth Amended Plan to become Effective.

For the past eleven months the Teamsters and Yellow have been engaged in negotiations and information sharing to come to an agreement on the value of individual employee claims based on vacation, sick pay, and grievances owed under the National Master Freight Agreement and its supplements. The Union believes that it and Yellow are close to finalizing an agreement. Whatever agreement is ultimately reached must be presented to the Judge for approval before Yellow can pay employees. The Union is hopeful that a final settlement and approval to the Judge will happen within the coming two months, and the Union believes that Yellow similarly is interested in getting employee contract claims settled and moving forward.

The Fourth Amended Plan also must become Effective, which is the date that Yellow Corporation and its operating companies will dissolve and cease to exist, and all assets and remaining liabilities will vest with a liquidating trust, governed by a Board of Trust Managers, who will distribute the remaining estate to creditors according to the Bankruptcy Code. Yellow has not yet announced an Effective Date. As described above, actions attempting to block the Plan by MFN may further affect or postpone any Effective Date.

Upon approval of a settlement on employee contract-based claims between Yellow and the Teamsters, and the Fourth Amended Plan going Effective, employees should receive their owed contract-based claims. Importantly, the Teamsters cannot guarantee any specific amount of money for an individual employee. Determinations of money owed to individual employees involved complex review of legal and contractual factors, a reconciling of physical and digital documents, and a push and pull between both the Teamsters and Yellow. Throughout the reconciliation process the Union has worked to get the best result for its bargaining unit members.

IV. WARN ACT UPDATE

In November 2023, the Teamsters filed proofs of claim including allegations that Yellow and its operating companies violated the Worker Adjustment and Retraining Act (29 U.S.C. § 2101 et seq.) by terminating employees and shutting down operations without first giving 60-days of notice to employees. The Union pursued WARN Act damages through its proof of claim on behalf of members, but unfortunately the 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.

The Union's pursuit of WARN Act damages for members is on-going, and no payments based on any potential WARN Act violation will be made to Teamster members upon the Effective date. Should the Union prevail at the District Court level, the maximum value of WARN damages available to members is 60-days of pay. A Judge may also award less than 60-days of damages. Success is not guaranteed, and any future WARN recovery is currently unknown, and proceeding on a different schedule than employee claims based on the terms of collective bargaining agreements.

V. IMPORTANT CONTACT INFORMATION UPDATE

It is the Union's hope that when payments are made from Yellow to employees, that Yellow can transfer payments directly into employee bank accounts through a direct-deposit system. If you are someone who has closed their bank account associated with Yellow or one of its operating companies, it is likely you would receive payment through paper check. Please make sure you are paying attention to any direct deposits received, and opening all mail which could contain a message from Yellow or its claim's processing agent, Epiq.

All bargaining unit members should keep their addresses updated with their current or former local union. The Teamsters will work with Yellow to locate bargaining unit members, but the Union's accuracy of records depends entirely on bargaining unit members self-reporting any address change. The Union thanks you for your help in this matter.