

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: April 18, 2024

Re: Yellow Corporation Bankruptcy Update Regarding Member WARN Act Claims

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.

Yellow is continuing the process of selling its assets to fund repayment to its creditors. Yellow’s secured creditors have been paid in full. Teamster members hold both “priority” and “general unsecured” claims against Yellow. Priority claims cannot be paid until after the estate completes its sales and reconciles the priority claims. General unsecured creditors cannot be paid until a “plan of reorganization” is confirmed. A plan of reorganization accounts for all of Yellow’s debts and describes how and when the debts will be repaid. While the sale process thus far has garnered positive results, the union cannot predict the amount of repayment employees will receive. The Union is also unable to guarantee a specific repayment timeline. Part of the claim reconciliation process involves Yellow objecting to claims that it believes it does not owe, either on procedural or substantive grounds.

I. MEMBER WARN ACT CLAIMS

The Union filed claims on behalf of members citing Yellow’s failure to comply with the Federal Worker Adjustment and Retraining Act (“WARN Act”) and its State law analogues. Not every Teamster member affected by the Yellow bankruptcy will be eligible to receive potential

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WARN Act damages. The Union will work, however, to ensure all eligible members receive the WARN Act damages to which they are entitled.

As part of the claims reconciliation process, Yellow objected¹ to the Union filed claims, as well as any individually filed WARN Act claims, on March 12, 2024. The Union filed a response² on behalf of all bargaining unit members, stating that all WARN Act claims should be deemed allowed, on March 28, 2024. By responding to Yellow's objection to Teamster WARN claims the Union has put member WARN claims into issue, which will require a trial to resolve.

Some members may have filed their own WARN Act or other claims through the proof of claim filing process. Such members may have received an objection from Yellow entitled:

DEBTORS' [THIRD, FOURTH, FIFTH] OMNIBUS (SUBSTANTIVE) OBJECTION TO PROOFS OF CLAIM FOR WARN LIABILITY

The Union's response to the above referenced objections was styled to encompass all Teamster member WARN Act claims, and therefore, individuals do not need to respond to the objection. Moving forward, the Union will continue to pursue members' Federal and State WARN Act claims in the Yellow bankruptcy proceeding.

Importantly, the Union does not charge members any fee for this representation. Some members may have retained their own independent counsel to represent them in this bankruptcy, and that independent counsel may charge a contingency or other fee for this service. If you are a member who has retained independent counsel, the Union encourages you to ensure you understand the fee arrangement to which you have agreed. Members can choose to forego independent counsel in light of the Union's continued representation of all bargaining unit members in regard to their WARN Act claims. The Union will continue to update members about the bankruptcy process and the status of member claims.

JAM/ae

¹ Yellow's objections (Docket Index Nos. 2576-2578) are available for viewing on <<https://dm.epiq11.com/case/yellowcorporation/dockets>>

² The Union's response (Docket Index No. 2778) is available for viewing on <<https://dm.epiq11.com/case/yellowcorporation/dockets>>