

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: May 27, 2026

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 AND SETTLEMENT UPDATES

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 proceeds from the sale of Yellow’s assets that have not been used to pay secured and administrative claims will vest in a liquidating trust controlled by a Liquidating Trustee who is overseen by a Liquidating Trust Board. The Bankruptcy Judge issued a decision on November 17, 2025, confirming the Plan, finding, as required by the statute, that unsecured creditors would recover more through the Plan rather than through a Chapter 7

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liquidation. MFN Has filed an appeal challenging the Judge's conclusion. This appeal does not prevent the Plan from being implemented.

On November 26, 2025, Yellow moved¹ the Court for authority to settle ongoing litigation with several Multi-Employer Pension Plans ("MEPP(s)") and the Pension Benefit Guaranty Corporation ("PBGC"). In late March 2026, the Judge approved a portion of the MEPP settlements and denied a portion of the MEPP settlements. MFN has since appealed the Judge's decision approving a portion of the MEPP settlements to the District of Delaware. MFN's appeal will have the effect of delaying some distributions of Yellow's estate to MEPPs.

Yellow, through its advisors, have worked towards implementing the Fourth Amended Plan by transitioning the estate into a liquidating trust, headed by a Liquidating Trustee. The Liquidating Trustee will facilitate the orderly resolution of remaining claims by and against Yellow's estate and to make distributions as appropriate to Yellow's creditors including its former employees. Yellow is expected to effectuate its transition to a liquidating trust during June or July 2026.

Throughout 2025 and 2026 the Teamsters have engaged with Yellow in settlement negotiations related to the Union's contract-based claims against Yellow. These claims include accrued and unused paid-time-off as well as individual and group grievances. While substantial process has been made on agreeing to the amounts of these claims that should be allowed, there are a few disagreements on valuation that still must be resolved.

Regarding the Union's claims for WARN damages, the Bankruptcy Court found Yellow is not liable under WARN because it was a liquidating fiduciary rather than an employer; but that if Yellow was an employer it owes 14 days of WARN damages to its union employees. The Teamsters have appealed the Bankruptcy Court's decision to the District of Delaware; and are awaiting the District Court's decision. The Teamsters will attempt to settle with the Liquidating Trustee any remaining contract claims as well as the WARN claims. The Bankruptcy Court must approve any settlements that the Teamsters reach with the Liquidating Trustee before any payments can be made to the Teamster Membership who were Yellow employees. Other creditors of Yellow can object to any settlement that the Teamsters reach with the Liquidating Trustee and appeal any decision by the Bankruptcy Court to approve settlements that the Teamsters reach with the Liquidating Trustee.

III. IMPORTANT CONTACT INFORMATION UPDATE

All updates regarding the WARN Act claims and contract-based claims, including any settlements or impending distributions of funds, will come from TNFINC to Local Unions available at <https://teamster.org/yellow-bankruptcy-updates/>

It is the Teamsters hope that when payments are made by the Liquidating Trustee to employees, the Liquidating Trustee can transfer payments directly into employee bank accounts

¹ *In re Yellow Corporation et al.*, Case No. 23-11069-CTG; Docket Index No. 8296 (Filed on November 26, 2025). Document available at <<https://dm.epiq11.com/case/yellowcorporation/dockets>>.

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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 the Liquidating Trustee 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. We thank you for your help.