

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

---

**SEAN M. O'BRIEN**

General President

25 Louisiana Avenue, NW  
Washington, DC 20001



**FRED ZUCKERMAN**

General Secretary-Treasurer

202-624-6800  
www.teamster.org

## 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:** June 30, 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. UPDATE ON LITIGATION OF LIABILITY UNDER THE WARN ACT**

Following a trial, the Bankruptcy Court found on February 26, 2025 that 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 Bankruptcy Court had previously found the faltering company defense was not available to Yellow, because its WARN notice did not adequately explain why its efforts to seek financing meant it could not provide more notice of its closing to its employees' representatives.

The Teamsters appealed the Bankruptcy Court's decision to the U.S. District Court for the District of Delaware. The District Court issued a decision on June 29, 2026 finding that while it is a close case, Yellow's WARN notice was good enough to allow it to invoke the faltering company defense, so that Yellow did not have liability under the federal WARN Act. Because the District Court found the faltering company defense afforded to Yellow a complete defense to WARN liability, she questioned but did not find it necessary to overturn the Bankruptcy Court's decision that Yellow was a liquidating fiduciary. The District Court upheld the finding of Yellow's liability under the New Jersey Warn Act, which does not recognize a faltering company defense.

**TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE**

The Teamsters respectfully disagree with the District Court's decision that Yellow's WARN Notice was clear and informative enough to allow it to invoke the faltering company defense, and intends to file an appeal with the Third Circuit Court of Appeals.

## **II. UPDATE ON WITHDRAWAL LIABILITY LITIGATION**

After Yellow filed for Bankruptcy, multiemployer pension funds filed proofs of claim in the amount of billions of dollars against Yellow's Estate. One of the arguments that Yellow made against the withdrawal liability claims was that Special Financial Assistance that the Funds received under the American Rescue Plan Act in 2022 and/or 2023 should count as Plan assets that, once included in the withdrawal liability calculation, will decrease its withdrawal liability. Both the Bankruptcy Court and the Third Circuit Court of Appeals rejected Yellow's argument. On June 29, 2026, the United States Supreme Court declined to hear Yellow's argument, so that the Third Circuit Court of Appeals' decision that rejected Yellow's argument is final.

The Bankruptcy Court approved most settlements between Yellow and most Pension Funds. A holder of equity interests, MFN Partners, has appealed the Bankruptcy Court's decision approving the settlements. The Supreme Court's decision to not hear Yellow's appeal could support the Bankruptcy Court's decision to approve the Pension Fund settlements.

## **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/>

We are hopeful that when payments are made by the Liquidating Trustee to employees, the Liquidating Trustee 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 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.