

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SEAN M. O'BRIEN

General President

25 Louisiana Avenue, NW
Washington, DC 20001



FRED E. 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: Spencer Dearth, Director, Logistics Division

Date: October 6, 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. Please review this memo carefully.

SETTLEMENT AGREED IN PRINCIPLE ON REMAINING CLAIMS

The IBT and Yellow had previously reached agreement to value the claim for paid time off at \$63.9 million priority, and \$1.9 million general unsecured; and the sick leave claim at \$5.7 million priority. On October 1, 2026, at a mediation, the Liquidating Trustee on behalf of Yellow agreed to recognize the IBT having an additional priority claim of about \$15 million on the federal WARN Act, \$2.19 million additional on the New Jersey WARN Act, \$1.2 million for grievances that were pending when Yellow shutdown operations, and \$1.75 million for unused personal holidays for New York, New Jersey, Pennsylvania, and Western Teamsters whose NMFA supplements provided for the payout of unused personal holidays. The WARN settlement represents 5 days of damages on the federal WARN Act, and 30 days of damages on the New Jersey WARN Act. The difference is because there are defenses available under the federal WARN Act that are not available under the New Jersey WARN Act. The Teamsters leadership chose full payment on contract claims and some recovery on the WARN Act over years of additional litigation on the WARN Act claims with an uncertain outcome.

Before any distributions are made, the IBT and the Liquidating Trustee must agree to and sign a settlement agreement, the parties must file a motion with the Bankruptcy Court to seek approval for their settlement, and the Bankruptcy Court must approve the settlement. At this time, we don't expect any parties to object to the settlement between the IBT and the Liquidating

Trustee; although any objections would substantially delay the Liquidating Trustee making payments to the IBT membership.

We expect the vast majority of the allowed claims for Teamsters members to be paid at 100%, subject to a cap of \$22,650 per person. The cap includes \$15,150 for priority claims, and \$7,500 for additional employee benefit claims. Because equity holders MFN has now withdrawn its objection to plan Confirmation, We would expect the priority and additional employee benefit claims that fall within the \$22,650 cap to be paid within months after the Bankruptcy Court approves the settlement, if no party files an appeal over the Bankruptcy Court's decision to approve the settlement.

We expect there are a small number of Teamsters members whose total claim will exceed the \$22,650 cap. Any amounts in excess of the \$22,650 cap will be paid at the same rate as all other general unsecured claims, at a rate of less than 20 cents on the dollar. Payments on amounts that exceed the \$22,650 cap may also be delayed as the Liquidating Trustee may need additional time to determine how much can be collected from the Yellow estate and how much is available to be paid to holders of general unsecured claims.