

# 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:** December 18, 2024

**Re:** Yellow Corporation Bankruptcy Update

### 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.

#### II. THE PLAN OF LIQUIDATION AND VOTING INSTRUCTIONS

On November 22, 2024, Yellow submitted a Plan of Liquidation to the Delaware Bankruptcy Court. A Plan of Liquidation describes the amount of money a debtor holds and how the debtor will distribute that money to unsecured creditors according to legal and equitable requirements. Yellow’s current proposed Plan of Liquidation holds that former employees will receive their vacation paid out at 100%.

As a former employee of Yellow or its operating companies you may receive an informational packet in the mail regarding Yellow’s Plan of Liquidation. The packet you receive may say “Disclosure Statement” or “Solicitation and Voting Procedures.” You will receive a Ballot and instructions on how to vote for or against the Plan of Liquidation.

**TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE**

As a bargaining unit member, you do not need to respond to or take any action concerning the Debtors' Plan of Liquidation. You do not need to cast a vote for or against the plan. The Union is representing you in your contract (vacation, sick, other paid-time-off, and grievances) and WARN claims against Yellow. The Union will vote on your behalf either for or against the Plan. The Union will make a decision on whether to support the plan if the Union believes the plan facilitates the best possible recovery for employees and according to its duty of fair representation to all bargaining unit members.

The Plan of Liquidation packet that you receive may not reference all the money you believe Yellow or its operating companies' owes you. Do not worry about the amount included in Yellow's packet as being owed to you—the Union is working to maximize employee claims beyond what Yellow is currently claiming it owes. The Union is in discussion with Yellow about employee contract claims and will alert bargaining unit members when settlements are reached.

### **III. WARN TRIAL UPDATE**

On October 28, 2024, the Union presented its summary judgment arguments to the Delaware Bankruptcy Judge regarding bargaining unit members' State and Federal WARN Act claims. The Judge will issue a determination, deciding either for Yellow or for the employees on all or part of the issues presented. If the Judge leaves any issues undecided, the Union and Yellow will proceed to a trial on January 21-23, 2025. Yellow and the Union agreed to move the trial date into January to allow for more time to receive a summary judgment decision from the Judge, which may allay any need for a trial. Moving the trial date into January, 2025, will not affect the dates of payment to employees. We remain optimistic that payments will go out to employees during the first or second quarter of 2025.

### **IV. TRADE PAYABLE EXPENSES**

Yellow is currently issuing checks to certain employees based on those employees who incurred expenses while traveling to perform dock work in summer, 2023. If you were a dock worker at one of Yellow's operating companies and were asked or required by Yellow to travel to a non-home terminal to work the docks, you may receive a check reimbursing you for a yet unpaid expense you incurred during your traveling service. The Union believes this is primarily applicable to USF Holland, LLC employees who traveled to the Western states during 2024 to perform dock work pursuant to Yellow's consolidation of terminals and change in business operations.

If you received a check from "Yellow Corporation" and are unsure why you are receiving it, we recommend submitting an inquiry to Yellow's claim processing agent, Epiq.<sup>1</sup> We also

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<sup>1</sup> <https://dm.epiq11.com/case/yellowcorporation/info>

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recommend reviewing Yellow Corporation's schedule of liabilities, available for download at the following link:

<https://document.epiq11.com/document/getdocumentbycode?docId=4216406&projectCode=YRC&source=DM>

Within Yellow's schedule of liabilities, it lists those employees it affirmatively owes compensation for a "trade payable" debt. A trade payable debt implies that the employee either performed a service or incurred an expense that Yellow is required to reimburse. If you received a check from Yellow and are uncertain why, you should review if Yellow listed you on the above referenced schedule, and if there is an applicable claim number and amount that corresponds to the check you received. If you

A trade payable debt is unrelated to an employee's vacation, PTO, or WARN damages. Cashing a check from Yellow Corporation reimbursing a trade payable debt will have no effect on your entitlement to vacation, PTO, or WARN claims. The Union is continuing to pursue contract and WARN claims and remains optimistic that payments will be paid to employees in the first or second quarter of 2025.

#### **V. IMPORTANT CONTACT INFORMATION REMINDER**

Members should keep their addresses updated with their applicable Local Teamster Union. Estate disbursements will go directly to the individual employee, requiring either Yellow or the IBT to have the most recent accurate address on file of members.