

# 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:** September 13, 2023

**Re:** Yellow Corporation Bankruptcy Update and Proof of Claims Process

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### **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 and instructions concerning the filing of proofs of claim for your members. Please review this memo carefully.

#### **I. YELLOW CORPORATION BANKRUPTCY UPDATE**

Yellow Corporation and its operating companies 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. 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.

The Union has been appointed to the unsecured creditors' committee along with eight other entities holding large unsecured claims. In that role, the Union represents the interests of all general unsecured creditors as a check and balance to the actions of the Debtor in the bankruptcy.

Yellow Corporation has begun the process of selling off its assets to gain cash to pay its debts. The sale process can be either a "going-concern sale" or a liquidation. A going concern sale would mean that a buyer seeks to run its acquired trucking properties and assets as a trucking company. While a going concern sale is still possible, Yellow has stated its expectation that this will be a liquidation process. The Union prefers that the sale process result in an entity acquiring Yellow assets to operate a trucking company as a going concern.

**TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE**

While the Union will seek to obtain a settlement/payment of the debts/obligations owed to its members, please note that the bankruptcy process can be a lengthy one. Once sales are complete, the Debtor will begin repaying its debts, first to secured creditors, then to unsecured creditors. The Union will keep each Local updated as this process unfolds. The Union is relying on each Local to keep affected members updated in turn.

## **II. PROOF OF CLAIM FILING PROCESS**

The Bankruptcy Court has established **November 13, 2023**, as the deadline for filing proofs of claim. Please note that this date is the filing date, that is, the date by which the claim must be received by the clerk in the Delaware Bankruptcy Court. It is not a mailing date. Anyone filing a proof of claim must do so sufficiently in advance of November 13 to ensure its arrival and receipt by the clerk by November 13.

Members are receiving the official bankruptcy form for a proof of claim, sent directly to their last known addresses, by the debtors. Anyone is entitled to fill out this proof of claim form and file it. **However, the Union will file a comprehensive, “omnibus” proof of claim on behalf of the bargaining unit members, so that all affected members will be included in the claims process.** Members can still feel free to file their own proofs of claim if they chose to do so, and no harm will result to a member if two claims are filed on their behalf, one by themselves and one through the Union. A member filing their own claim ensures that the correct information is supplied to the court. The Union will also file an omnibus proof of claim in-part to ensure that the information of all members, even those who do not file their own proof of claim, is supplied to the court. If a member has already filed proof of claim or subsequently files a proof of claim independently, the Union will later reconcile the duplicate claims with the Bankruptcy Court.

Please note that the Debtor (Yellow and its operating companies) has “scheduled” each member's claim, meaning that it acknowledges that it owes money to the members. In doing so, however, we believe the debtor has understated employee claims. That is also why the Union is taking care to file an omnibus proof of claims on behalf of the entire bargaining unit.

The Union requires and requests assistance from the Local Unions regarding this process. As noted above, to help employees, the Union will file an omnibus proof of claim covering all employees for their (a) vacation pay, (b) sick leave, (c) WARN Act claims, and other contractual amounts that they are owed by the Debtor. We will estimate the vacation pay, sick pay and WARN Act totals for all members, including for amounts that would become due next year under the NMFA. However, we need your assistance with respect to the following items:

- i. If you have a list or lists (such as a seniority list) of each member who was employed by Yellow or its affiliates, or who was on leave, please provide it to us as soon as possible. If you can, please provide each members’ seniority date, final date of employment, job classification and/or pay rate. We will use the list to ensure that we do not omit any employee who is owed a claim.

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- ii. If you have any grievances with monetary value pending for an employee, please send us copies of the grievance, any decision of the joint committee, and the estimated amount owed to the member.
- iii. If you are aware of any other monetary compensation owed to a member (besides vacation, sick leave, or WARN Act damages), please notify us of the amount owed and what it is for.
- iv. If your Local has specific information showing the specific amounts owed to individual Yellow employee members for sick, vacation and other contractual amounts, please forward that information as well.
- v. You can send the information requested above directly to the Union, care of the Freight Division, or to the bankruptcy lawyer retained by the Union and whose name and address is listed below.
- vi. Please provide the information requested above as soon as possible, but in no event later than **October 1, 2023**, so that we can complete and timely file the omnibus proof of claim for your members. Please deliver these items to the bankruptcy attorney retained by the International Union at the address listed below:

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The Previant Law Firm  
310 W Wisconsin Ave, Suite 100MW  
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