Yellow Corporation Files $137+ Million Lawsuit Against International Brotherhood of Teamsters, Alleging Breach of Contract in Blocking Efforts to Modernize Century-Old Company

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Union Leadership's "Militant Approach" Risks Tens of Thousands of Jobs and Taxpayers' Investment in Company

NASHVILLE, Tenn., June 27, 2023 (GLOBE NEWSWIRE) -- Yellow Corporation (NASDAQ: YELL), the nation's third largest less than truckload (LTL) carrier and fifth largest transportation company, has filed a complaint in the U.S. District Court for the District of Kansas against the International Brotherhood of Teamsters (IBT) and certain of its affiliates.

The complaint alleges that the defendants breached their binding union contract with Yellow causing more than $137 million in damages by unjustifiably blocking, for over eight months, Yellow's restructuring plan to modernize its business, which is necessary to compete against non-union carriers that dominate the LTL business today. These modernization efforts, known as One Yellow, are essential to the Company's survival. Without these crucial reforms, which are standard practice in the industry today, Yellow likely will not survive, 30,000 jobs will be lost, including 22,000 union jobs, and its shareholders, including the federal government, which owns 30.1% of Yellow stock, will be severely damaged. Yellow remains a critical part of the domestic supply chain with hundreds of thousands of customers -- large and small -- relying on the Company to deliver freight coast-to-coast. Driving Yellow out of business will badly damage the supply chain, lessen competition and raise the price of shipped goods in the LTL market and feed inflation.

"We do not take this action lightly, but the Union's leadership has left us with no choice," said Yellow Corporation management. "For many months, we have made good faith efforts to meet with the IBT to propose a path forward that works for all parties, but they refuse even to meet, let alone engage in honest talks. We have communicated with all stakeholders in Washington, D.C., including the Biden Administration, to apprise it of the imminent loss of tens of thousands of jobs, the significant anti-competitive effects on the American economy and the devastating impact to the supply chain, and to seek their assistance in persuading the IBT to negotiate a mutually acceptable agreement. We are fighting for the livelihood of our 30,000 employees who are good hard-working people. We will do all we can to save these American jobs and to protect our shareholders, including the American taxpayer."

The complaint also alleges that Sean O'Brien, IBT General President, orchestrated these breaches and has prevented Yellow from meeting with IBT leadership. For several years, the IBT had endorsed the company's modernization effort and, in fact, approved the first of the effort's three phases before the IBT reversed itself taking, in Mr. O'Brien's words, a "militant approach" to blocking Yellow's modernization.

Completion of One Yellow in 2023 is critical to Yellow's ability to survive, particularly given that Yellow faces, among other things, the imminent need to refinance $1.3 billion in debt—a $567.4 million term loan maturing on June 30, 2024, and a $729.4 million U.S. Treasury loan maturing on September 30, 2024. Nonetheless, as alleged, the Union has blocked Yellow's completion of One Yellow, triggering grave uncertainty for employees, investors and customers, and has knowingly intended to cause Yellow's economic ruin.

Moreover, Sean O'Brien has taken up the role of public agitator for the company's demise, recently tweeting an image of a headstone in a cemetery with "Yellow" on it. He has continued to hide behind numerous false, unconstructive, and irresponsible social media posts maligning the company, while refusing to discuss a path forward with the Company itself. The situation might have been avoided if the Union had participated in meetings months ago or otherwise agreed to sit down and negotiate in good faith. Yellow must now take immediate steps to try to save itself. Yellow is entitled to $137.3 million (and counting) for the injury the Union has caused Yellow, and continues to cause Yellow, and in the event of its demise, at least $1.5 billion for the loss in enterprise value Yellow is sustaining as a result of the Union's breaches.

Yellow is represented by national litigation firm Kasowitz Benson Torres LLP. The Kasowitz team representing Yellow is led by partners Marc Kasowitz and Ron Rossi and includes partner Kim Conroy and counsel Maria Gorecki.

The case is *Yellow Corporation, YRC Inc. (d/b/a YRC Freight), USF Holland LLC, New Penn Motor Express LLC, and USF Reddaway Inc. v. International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Teamsters Local No. 696, Teamsters Local No. 795, and Teamsters Local No. 41*. A copy of the complaint is attached.

About Yellow Corporation

Yellow operates one of the largest, most comprehensive logistics and less-than-truckload (LTL) networks in North America, providing customers with regional, national, and international shipping services throughout. Backed by a team of nearly 30,000 transportation professionals, Yellow's flexible supply chain solutions and best-in-class expertise ensure the safe, timely delivery of industrial, commercial, and retail goods for customers of all sizes. Yellow's principal office is in Nashville, Tenn., and is the holding company for a portfolio of LTL brands including Holland, New Penn, Reddaway and YRC Freight, as well as the logistics company Yellow Logistics.

To learn more about Yellow and our services, visit myyellow.com.

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