

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

YELLOW CORPORATION, *et al.*,¹

Debtors.

)
) Chapter 11
)

) Case No. 23-11069 (CTG)
)

) (Jointly Administered)
)
)

**DECLARATION OF CODY LEUNG KALDENBERG IN
SUPPORT OF ENTRY OF AN ORDER (I) APPROVING
THE ASSET PURCHASE AGREEMENTS WITH ABF FREIGHT
SYSTEM, INC.; (II) AUTHORIZING AND APPROVING THE SALE OF
THE ACQUIRED ASSETS UNDER THE ASSET PURCHASE AGREEMENTS
FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES;
(III) APPROVING THE ASSIGNMENT OF CERTAIN UNEXPIRED LEASES UNDER
THE ASSET PURCHASE AGREEMENTS; AND (IV) GRANTING RELATED RELIEF**

I, Cody Leung Kaldenberg, hereby declare under penalty of perjury as follows:

1. I am a founding member of and partner at Ducera Partners LLC (“Ducera”), which maintains its principal office at 11 Times Square, 36th Floor, New York, New York 10036. Ducera is the investment banker to the above captioned debtors and debtors in possession (collectively, the “Debtors”).

2. I hereby submit this declaration (this “Declaration”) in support of the Court’s entry of the proposed *Order (I) Approving the Asset Purchase Agreements with ABF Freight System, Inc.; (II) Authorizing and Approving the Sale of the Acquired Assets Under the Asset Purchase Agreements Free and Clear of Liens, Claims, Interests, and Encumbrances; (III) Approving the*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/YellowCorporation>. The location of the Debtors’ principal place of business and the Debtors’ service address in these chapter 11 cases is: 11500 Outlook Street, Suite 400, Overland Park, Kansas 66211.

Assignment of Certain Unexpired Leases Under the Asset Purchase Agreements; and (IV) Granting Related Relief (the “Sale Order”) pursuant to the relief requested in the Motion.² If called as a witness, I could and would testify competently to the facts set forth in this Declaration. I am not being specifically compensated for this testimony other than through payments received by Ducera as a professional retained by the Debtors, subject to approval by this Court. I am over the age of 18 and am authorized to submit this Declaration on behalf of the Debtors.

3. During these Chapter 11 Cases, I have helped to lead Ducera’s strategic, banking, and sale efforts on behalf of Yellow Corporation and its Debtor affiliates. Specifically, Ducera’s and my efforts have included, among others, procuring debtor-in-possession financing for the Debtors and marketing and selling the Debtors’ Real Property Assets, including those that are subject to the proposed Sale Order.

Professional Background and Qualifications

4. Founded in 2015, Ducera is an independent investment banking advisory firm, which has extensive experience in, among other areas, providing leading-edge capital structure and restructuring advice in both in-court and out-of-court situations. In addition to providing investment banking services regarding numerous out of court restructurings and sales, Ducera professionals have served as investment bankers to debtors, creditor groups, asset purchasers, committees, boards of directors, and trustees in a number of bankruptcy matters. Ducera provides a broad range of corporate and financial services to its clients, including with respect to: general corporate advice; mergers, acquisitions, and divestitures; corporate restructurings; and private

² Capitalized terms used but not defined in this Declaration shall have the meanings ascribed to such terms in the Debtors’ Motion for Entry of an Order (I) Approving the Asset Purchase Agreements with ABF Freight System, Inc.; (II) Authorizing and Approving the Sale of the Acquired Assets Under the Asset Purchase Agreements Free and Clear of Liens, Claims, Interests, and Encumbrances; (III) Approving the Assignment of Certain Unexpired Leases Under the Asset Purchase Agreements; and (IV) Granting Related Relief (the “Motion”), filed by the Debtors contemporaneously herewith.

placements. Ducera provides its services worldwide from three offices located in the United States.

5. Ducera has more than fifty professionals and is one of the leading advisors and investment bankers to debtors, secured and unsecured creditors, acquirers, and other parties in interest involved with financially troubled companies requiring complex financial restructurings, both in and outside of bankruptcy. Ducera has represented debtors, creditors, and other constituents in some of the largest restructuring cases in the United States, including: (a) *In re Diebold Holding Co., LLC*, Case No. 23-90602 (DRJ) (Bankr. S.D. Tex. July 18, 2023) [Docket No. 266]; (b) *In re Virgin Orbit Holdings, Inc.*, Case No. 23-10405 (KBO) (Bankr. D. Del. May 15, 2023) [Docket No. 261]; (c) *In re Altera Infrastructure L.P.*, Case No. 22-90130 (MI); (d) *In re GBG USA Inc.*, Case No. 21-11369 (MEW) (Bankr. S.D.N.Y. Sept. 22, 2021) [Docket No. 230]; (e) *In re Superior Energy Servs., Inc.*, Case No. 20-35812 (DRJ) (Bankr. S.D. Tex. Feb. 2, 2021) [Docket No. 316]; (f) *In re Hornbeck Offshore Services, Inc.*, Case No. 20-32679 (DRJ); (g) *In re iHeartMedia, Inc.*, Case No. 18-31274 (MI); (h) *In re Toys “R” Us, Inc.*, Case No. 17 34665 (KLP) (Bankr. E.D. Va. Jan. 26, 2018).

6. I have over twenty years of restructuring related investment banking experience and have worked on a broad range of restructuring advisory assignments across a variety of industry sectors. Since joining Ducera in 2015, I have provided investment banking expertise and financing advice, including with respect to marketing and selling businesses and assets, to financially distressed companies as well as lenders and strategic investors in distressed and special situations engagements. Prior to joining Ducera, I worked as a Director at Perella Weinberg Partners for over six years, advising companies and other stakeholders on special situation restructuring engagements, prior to which I worked as an associate at Goldman Sachs for over four

years. I earned a Bachelor of Science in Economics from the Massachusetts Institute of Technology in 2004.

7. I have worked closely with the Debtors' management and other professionals retained by the Debtors in advance of and throughout these chapter 11 cases and have become well acquainted with the Debtors' capital structure and assets, including the Debtors' extensive portfolio of Real Property Assets (including the Subject Properties which are the subject of the Asset Purchase Agreements and the Motion). Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge, my discussions with other members of the Ducera team, the Debtors' management team, and the Debtors' other advisors, my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. If called as a witness, I could and would testify competently to the facts set forth in this Declaration on that basis. I am authorized to submit this Declaration on behalf of the Debtors. I am not being specifically compensated for this testimony other than through payments received by Ducera as a professional retained by the Debtors, subject to approval by this Court. I am over the age of 18 years and authorized to submit this Declaration on behalf of the Debtors.

Background

8. On September 15, 2023, the Court entered the *Order (I)(A) Approving Bidding Procedures for the Sale or Sales of the Debtors' Assets; (B) Scheduling Auctions and Approving the Form and Manner of Notice Thereof; (C) Approving Assumption and Assignment Procedures, (D) Scheduling Sale Hearings and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignments of Executory Contracts and*

Unexpired Leases; and (III) Granting Related Relief [Docket No. 575] (the “Bidding Procedures Order”).

9. I understand that the Bidding Procedures grant the Debtors the flexibility to, in their business judgment and in consultation with the Consultation Parties, sell assets via a private or public sale outside the Bidding Procedures, but subject to Court approval. *See* Bidding Procedures at p. 3; *see also* September Sale Process Notice³ at p. 4 (“The Debtors reserve all rights under the Bidding Procedures Order . . . to seek all value-maximizing alternatives for the Assets in accordance with the terms thereof.”).

10. On September 25, 2024, the Debtors filed the September Sale Process Notice, pursuant to which the Debtors set October 18, 2024 at 5:00 p.m. (E.T.) as the IOI Deadline for prospective bidders to submit non-binding, written indications of interest to the Debtors (including CBRE and Ducera) for any of the properties within the Debtors’ Remaining Real Estate Portfolio—including for the Subject Properties.

11. On November 18, 2024, the Debtors filed the November Sale Process Notice,⁴ setting January 6, 2025 at 5:00 p.m. (E.T.) as the Bid Deadline for the Remaining Properties (the “Bid Deadline”) and January 13-15, 2025 at 9:00 a.m. (E.T.) as the Auction (if any) for the Remaining Properties (the “Auction”).

³ “September Sale Process Notice” means the *Notice of Supplemental Dates and Deadlines Under Bidding Procedures Order Regarding Debtors’ Continued Sale Process* [Docket No. 4425].

⁴ “November Sale Process Notice” means the *Notice of Further Supplemental Dates and Deadlines Regarding Continued Sale Process for Debtors’ Remaining Properties, Including Bid Deadline, Auction, and Sale Hearing* [Docket No. 4952].

12. On January 3, 2025, the Debtors filed the First January Sale Process Notice,⁵ setting January 24, 2025 at 5:00 p.m. (E.T.) as the Bid Deadline and February 10-12, 2025 at 9:00 a.m. (E.T.) as the Auction (if any).

13. On January 23, 2025, the Debtors filed the Second January Sale Process Notice,⁶ setting February 3, 2025 at 5:00 p.m. (E.T.) as the Bid Deadline.

14. On February 3, 2025, the Debtors filed the February Sale Process Notice,⁷ setting February 20, 2025 at 5:00 p.m. (E.T.) as the Bid Deadline and February 25-27, 2025 at 1:00 p.m. (E.T.) as the Auction (if any).

15. Following the IOI Deadline, the Debtors and their advisors analyzed all IOIs received, including for the Subject Properties. Further, the Debtors' advisors held discussions with the Committee's advisors regarding the Debtors' go-forward sale process and value-maximization of the Remaining Real Estate Portfolio generally. Specifically, the Debtors' advisors presented to the Committee's advisors the option of, with respect to certain properties (including the Subject Properties), pursuing direct negotiations with prospective purchasers (including the Purchaser) in lieu of taking those properties to auction.

16. In consultation with, and with the support of, the Committee, the Debtors have engaged in hard-fought, good faith, and arm's-length negotiations with the Purchaser regarding

⁵ "First January Sale Process Notice" means the *Notice of Further Supplemental Dates and Deadlines Regarding Continued Sale Process for Debtors' Remaining Properties, Including Bid Deadline, Auction, and Sale Hearing* [Docket No. 5328].

⁶ "Second January Sale Process Notice" means the *Notice of Further Supplemental Dates and Deadlines Regarding Continued Sale Process for Debtors' Remaining Properties, Including Bid Deadline, Auction, and Sale Hearing* [Docket No. 5519].

⁷ "February Sale Process Notice" means the *Notice of Further Supplemental Dates and Deadlines Regarding Continued Sale Process for Debtors' Remaining Properties, Including Bid Deadline, Auction, and Sale Hearing* [Docket No. 5597].

the Asset Purchase Agreements. These negotiations yielded material improvements to certain of the terms offered by the Purchaser under the proposed Asset Purchase Agreements. Accordingly, the Debtors have determined to pursue the private sale transactions embodied in the Asset Purchase Agreements.

17. On February 19, 2025, substantially contemporaneously with the filing of this declaration, the Debtors filed the Motion.

The Asset Purchase Agreements are Value-Maximizing and Should Be Approved

18. Prior to the expiration of the IOI Deadline, the Purchaser submitted non-binding IOIs for certain of the properties included in the Asset Purchase Agreements. After the IOI Deadline, in light of other IOIs received at the IOI Deadline for the Subject Properties—each of which IOIs and Bids I have reviewed and evaluated—I believed that the Debtors would be able to best position themselves to maximize the value of the Subject Properties by proceeding to direct negotiations with the Purchaser that had included the Subject Properties in the Asset Purchase Agreements.

19. I arrived at this conclusion based upon my review of all expressions of interest for the Subject Properties received during the Chapter 11 Cases and my and Ducera’s discussions with numerous prospective purchasers for the Subject Properties who had demonstrated formal or informal interest in the Subject Properties (including for both individual Subject Properties and certain “packages” of Subject Properties). On the Debtors’ behalf, Ducera held these discussions with not only the Purchaser for the applicable Subject Properties, but with any prospective purchaser that approached Ducera regarding acquiring any or all of the Subject Properties from the Debtors. In my professional opinion and judgment, no IOI at the IOI Deadline, Bid at the First Bid Deadline, or other expression of interest in the Subject Properties indicated a value for the

Subject Properties that even approached (or had the potential, through further negotiations, to approach) the consideration proposed by the Purchaser under the Asset Purchase Agreements.

20. Further, the Subject Properties have been thoroughly marketed for approximately nineteen months. The Subject Properties were included in Ducera's launch materials for the Debtors' sale process distributed to approximately 650 prospective counterparties on or around July 31, 2023, prior to the Petition Date. Moreover, following the Debtors' retention of CBRE in the summer of 2024, the Subject Properties were subjected to even more aggressive and targeted marketing—including by leveraging CBRE's expertise in the Subject Properties' specific local markets. Any and all prospective purchasers for the Subject Properties have had an extensive opportunity to access Ducera's and/or CBRE's datarooms, to conduct diligence on the Subject Properties, and to submit indications of interest formally or informally to Ducera and/or CBRE regarding the Subject Properties.

21. In my professional opinion and judgment, the Subject Properties have been sufficiently marketed—in consultation with the Committee—to enable me to conclude that (a) the Asset Purchase Agreements maximize the value of the applicable Subject Properties and (b) subjecting the Subject Properties to the upcoming Bid Deadline and Auction would serve no value-maximizing purpose. That is, higher or otherwise better offers for the Subject Properties are unlikely to be obtained at the Bid Deadline and the Auction. And such a path would not be costless, as I believe it is possible that the Asset Purchase Agreements could be lost altogether if the Debtors determined to put the Subject Properties to the Bid Deadline and the Auction. The Purchaser would have no obligation to bid at the values of the Asset Purchase Agreements—or to bid at all. Accordingly, in my opinion, it is value-maximizing for the Debtors to enter into the Asset Purchase Agreements pursuant to private sale transactions as expeditiously as possible.

22. The benefits of consummating the Asset Purchase Agreements are numerous. First, as mentioned above, the Asset Purchase Agreements represent the highest or otherwise best value for the Subject Properties. Second, consummating the Asset Purchase Agreements pursuant to expeditious private sales will infuse the Debtors with significant cash proceeds in an efficient manner (as I understand that they are projected to close approximately one month prior to the sale transactions that will follow the Auction). Third, consummating the Asset Purchase Agreements pursuant to the proposed private sales, as opposed to subjecting the Subject Properties to the Bid Deadline and the Auction, will remove the risks of the Purchaser either underbidding at the Bid Deadline (relative to the Asset Purchase Agreements) or not bidding at all. Consummating the Asset Purchase Agreements maximizes value and brings certainty to the Debtors and their estates—whereas the alternative, in my professional opinion, could destroy the value presently on the table and bring uncertainty to the Debtors’ sale prospects and process for the Subject Properties.

23. Finally, I believe that the alternative to consummating these transactions as private sales risks diminishing the significant value that has been achieved under the Asset Purchase Agreements. Indeed, the Purchaser was specifically induced to provide what it viewed as a strong bid as reflected in its Indication of Interest and ultimately in the Asset Purchase Agreements based on the Debtors’ Agreement to pursue, and in reliance on these transactions taking place, as a private sale. As a result, the Debtors determined to pursue the Asset Purchase Agreements with the Purchaser on a private sale basis to maximize the value of the Acquired Assets and, in turn, the Debtors’ estates. Ultimately, the Debtors determined, in accordance with their business judgment, as permitted under the Bidding Procedures Order, and in consultation with the Committee, that the Sale Transactions, as a whole, represented the highest or otherwise best offers for the Acquired

Assets. Accordingly, I believe the Sale Transactions should be authorized as expeditiously and as efficiently as possible.

Conclusion

24. Based on the foregoing, I understand that the Debtors have determined, as an exercise of their sound business judgment, to seek the Court's approval of the Asset Purchase Agreements pursuant to the proposed Sale Order. The terms and provisions of each of the Asset Purchase Agreements are fair and reasonable and were negotiated at arm's-length and in good faith. The Committee has been consulted with regarding the foregoing and I understand that the Committee supports the relief requested in the Motion. Respectfully, the requested relief should be authorized.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 19, 2025

/s/ Cody Leung Kaldenberg

Cody Leung Kaldenberg
Partner
Ducera Partners, LLC

Investment Banker to the Debtors