

**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 THAT CERTAIN LEASE TERMINATION
AGREEMENT WITH NATMI LPF BLOOMINGTON, L.P.;
(II) AUTHORIZING AND APPROVING THE TERMS AND PROVISIONS,
INCLUDING THE TERMINATION OF THE BLOOMINGTON LEASE,
THEREUNDER; AND (III) 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 that Certain Lease Termination Agreement with NATMI LPF Bloomington, L.P.; (II) Authorizing and Approving the Terms and Provisions, Including 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.

Termination of the Bloomington Lease, Thereunder; and (III) Granting Related Relief (the “Lease Termination Order”) pursuant to the relief requested in the Motion.²

3. During these Chapter 11 Cases, I have led 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 the Lease that is the subject of the proposed Lease Termination Agreement and the Motion.

4. 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 Lease and 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.

Professional Background and Qualifications

5. Founded in 2015, Ducera is an independent investment banking advisory firm, which has extensive experience in, among other areas, providing leading-edge capital structure

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 that Certain Lease Termination Agreement with NATMI LPF Bloomington, L.P.; (II) Authorizing and Approving the Terms and Provisions, Including the Termination of the Bloomington Lease, Thereunder; and (III) Granting Related Relief (the “Motion”), filed by the Debtors contemporaneously herewith.

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

6. 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); (b) *In re Virgin Orbit Holdings, Inc.*, Case No. 23-10405 (KBO) (Bankr. D. Del. May 15, 2023); (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); (e) *In re Superior Energy Servs., Inc.*, Case No. 20-35812 (DRJ) (Bankr. S.D. Tex. Feb. 2, 2021); (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).

7. 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.

8. 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' Real Property Assets, including the Lease which is the subject of the proposed Lease Termination Agreement and the Motion.

Background

9. 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").

10. I understand that the Bidding Procedures, approved by the Bidding Procedures Order, grant the Debtors the flexibility to, in their business judgment and in consultation with the

Consultation Parties, enter into private transactions regarding the Real Property Assets 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.”).

11. Pursuant to the Bidding Procedures Order, Bids for the Debtors’ Real Property Assets, including for the Lease, were due November 9, 2023 at 5:00 p.m. (E.T.) (the “First Bid Deadline”). The Debtors and their advisors, including Ducera, in consultation with the Committee, determined as of the First Bid Deadline that, based upon Bids for the Lease received, the competitive dynamics for the Lease were insufficient to support a value-maximizing auction for the Lease at such time. Accordingly, the Lease, among other of the Debtors’ Real Property Assets, was not made subject to the Auction held on November 28-30, 2023 (the “Auction”).

12. 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 Lease.

13. Following the IOI Deadline, Ducera analyzed all IOIs received, including for the Lease. Ducera held discussions with the parties, including the Landlord, that had indicated similarly high value for the Lease, and the Committee’s advisors were kept privy to these

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].

developing discussions. Ultimately, the Landlord offered a Termination Fee of \$55 million, which exceeds the highest value presented by any other party to acquire the Lease.

14. The Debtors have engaged in hard-fought, good faith, and arm's-length negotiations with the Landlord regarding the Lease Termination Agreement. These negotiations yielded material improvements to certain of the terms originally offered by the Landlord under the proposed Lease Termination Agreement.

15. On March 18, 2025, the Debtors filed the Motion, seeking the Court's approval of the Lease Termination Agreement on an expedited basis.

The Lease Termination Agreement is Value-Maximizing and Should Be Approved

16. Prior to the expiration of the IOI Deadline, multiple prospective purchasers submitted non-binding IOIs for the Lease. In light of the IOIs received at the IOI Deadline for the Lease and the Bids received at the Bid Deadline—each of which IOIs and Bids I have reviewed and evaluated—Ducera, in an effort to maximize the value of the Lease, held discussions with the prospective purchasers, including the Landlord, that had expressed similarly high indications of value for the Lease. 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 Lease submitted to the Debtors and their advisors (including by any other prospective purchaser with whom Ducera engaged following the IOI Deadline) indicated a value for the Lease that represents higher or otherwise better consideration for the Lease relative to the value proposed by the Landlord under the Lease Termination Agreement.

17. The Lease has been thoroughly marketed for approximately twenty months. The Lease was 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 Lease was subjected to even wider marketing efforts by CBRE. Any and all prospective purchasers for the Lease have had ample opportunity to access Ducera's and/or CBRE's datarooms, to conduct diligence on the Lease and the Premises, and to submit indications of interest formally or informally to Ducera and/or CBRE regarding the Lease. No party has presented higher value for the Lease than the Termination Fee offered by the Landlord. Further, by entering into the Lease Termination Agreement, the Debtors will also obtain a release from the Landlord regarding the Lease, as set forth in section 4 of the Lease Termination Agreement.

18. In my professional opinion and judgment, the Lease has been sufficiently marketed to enable me to conclude that the Lease Termination Agreement maximizes the value of the Lease. Given that no other party to date has presented a higher offer for the Lease than the Termination Fee offered by the Landlord, I also believe that higher or otherwise better offers for the Lease would be unlikely to be obtained for the Lease if the Lease were to be taken to auction. Accordingly, in my opinion, it is value-maximizing for the Debtors to enter into the Lease Termination Agreement, to obtain the Termination Fee and releases, and to cut off further ongoing obligations of the Debtors under the Lease (including monthly rent of approximately \$368 thousand), as soon as possible.

19. The benefits of consummating the Lease Termination Agreement are numerous. Consummating the Lease Termination Agreement will yield \$55 million of cash proceeds, early terminate the Debtors obligations under the Lease (including monthly rent), and provide the Debtors with a broad release from the Landlord regarding the Lease. The terms and provisions of the Lease Termination Agreement are fair and reasonable and were negotiated at arm's-length and

in good faith. The Committee has been consulted with regarding the Lease Termination Agreement and I understand that the Committee supports the relief requested in the Motion.

Conclusion

20. Based upon the foregoing, I believe that the Lease Termination Agreement is value-maximizing and its terms fair and reasonable. The Lease Termination Agreement was negotiated in good-faith and at arm's-length. 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: March 18, 2025

/s/ Cody Leung Kaldenberg

Cody Leung Kaldenberg
Partner
Ducera Partners, LLC

Investment Banker to the Debtors