

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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In re: : Chapter 11  
: :  
THE CONTAINER STORE GROUP, INC., *et al.*, : Case No. 24-90627 (ARP)  
: :  
Debtors.<sup>1</sup> : (Joint Administration Requested)  
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**EMERGENCY MOTION OF DEBTORS  
FOR ENTRY OF AN ORDER (I) AUTHORIZING  
THE DEBTORS TO (A) PAY PREPETITION INSURANCE PROGRAM  
OBLIGATIONS, (B) MAINTAIN THE INSURANCE POLICIES POSTPETITION,  
(C) MAINTAIN THE BONDING PROGRAM AND HONOR RELATED OBLIGATIONS,  
AND (D) HONOR LETTERS OF CREDIT; AND (II) GRANTING RELATED RELIEF**

**Emergency relief has been requested. Relief is requested not later than 1:00 p.m. (prevailing Central Time) on December 23, 2024.**

**If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.**

**A hearing will be conducted on this matter on December 23, 2024 at 1:00 p.m. (prevailing Central Time) in Courtroom 400, 4th floor, 515 Rusk Street, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.**

**Audio communication will be by use of the Court’s dial-in facility. You may access the facility at 832-917-1510. Once connected, you will be asked to enter the conference room number. Judge Perez’s conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Perez’s home page. The meeting code is “JudgePerez”. Click the settings icon in the upper right corner and enter your name under the personal information setting.**

**Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the “Electronic Appearance” link on**

<sup>1</sup> The Debtors in these cases, together with the last four digits of each Debtor’s taxpayer identification number, are: The Container Store Group, Inc. (5401); The Container Store, Inc. (6981); C Studio Manufacturing Inc. (4763); C Studio Manufacturing LLC (5770); and TCS Gift Card Services, LLC (7975). The Debtors’ mailing address is 500 Freeport Parkway, Coppell, TX 75019.



**Judge Perez’s home page. Select the case name, complete the required fields and click “Submit” to complete your appearance.**

The above-captioned debtors in possession (collectively, the “*Debtors*”) respectfully state as follows in support of this motion (this “*Motion*”):

**RELIEF REQUESTED**

1. By this Motion, the Debtors seek entry of an order (the “*Proposed Order*”), substantially in the form attached hereto:

- i. authorizing, but not directing, the Debtors, in their sole discretion, to (a) pay or setoff prepetition claims arising under their ordinary course Insurance Programs (as defined below), if any; (b) maintain the Insurance Policies (as defined below) in the ordinary course postpetition; (c) maintain the Bonding Program (as defined below) in the ordinary course postpetition and pay any prepetition claims arising under the Bonding Program; and (d) honor the current outstanding Letters of Credit (as defined below) and renew, replace, modify, extend, or add to such Letters of Credit as needed postpetition; and
- ii. granting related relief.

**JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the Southern District of Texas (the “*Court*”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and the Court may enter a final order consistent with Article III of the United States Constitution.

3. Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory and legal predicates for the relief requested herein are sections 105(a), 363(b), 363(c), 1107(a), 1108, and 1112(b)(4)(C) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “*Bankruptcy Code*”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), Rule 9013-1 of the Bankruptcy Local Rules for the Southern

District of Texas (the “*Bankruptcy Local Rules*”), and the Procedures for Complex Cases in the Southern District of Texas (the “*Complex Case Procedures*”).

### **BACKGROUND**

5. On December 22, 2024 (the “*Petition Date*”), the Debtors filed voluntary petitions in the Court commencing cases for relief under chapter 11 of the Bankruptcy Code (the “*Chapter 11 Cases*”). The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been requested and no committee has been appointed in the Chapter 11 Cases.

6. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of the Chapter 11 Cases, is set forth in detail in the *Declaration of Chad E. Coben, Chief Restructuring Officer, in Support of Chapter 11 Petitions and First Day Motions*, filed contemporaneously herewith (the “*First Day Declaration*”), which is fully incorporated herein by reference.<sup>2</sup>

7. Contemporaneously with the filing of the Motion, the Debtors filed a motion with the Court pursuant to Bankruptcy Rule 1015(b) requesting joint administration of the Chapter 11 Cases for procedural purposes only.

8. The Chapter 11 Cases are “prepackaged” cases commenced for the purpose of implementing agreed restructuring and recapitalization transactions among the Debtors and their key stakeholders. Prior to the Petition Date, the Debtors entered into that certain Transaction Support Agreement, dated as of December 21, 2024 (as may be amended, modified or supplemented, the “*Transaction Support Agreement*”) with lenders that collectively hold over 90% of the outstanding principal amount of term loans under the Debtors’ Term Loan Facility

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<sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the First Day Declaration.

(the “*Consenting Term Lenders*”), including those certain members of an ad hoc term lender group represented by Paul Hastings LLP (the “*Ad Hoc Group*”). The holders of the outstanding principal amount of asset-backed loans under the Debtors’ Prepetition ABL Facility (the “*Prepetition ABL Lenders*”) are not parties to the Transaction Support Agreement.

9. Contemporaneously herewith, the Debtors will file a prepackaged chapter 11 plan of reorganization reflecting the terms of the Transaction Support Agreement (as may be amended, modified or supplemented, the “*Plan*”), along with (a) a corresponding disclosure statement (as may be amended, modified or supplemented, the “*Disclosure Statement*”) and (b) a motion seeking, among other things, (i) conditional approval of the Disclosure Statement, (ii) approval of the solicitation and notice procedures, and (iii) to schedule a combined hearing to consider approval of the Disclosure Statement on a final basis and confirmation of the Plan.

10. The Plan contemplates that all Allowed General Unsecured Claims (as defined in the Plan) will be paid in full or will otherwise be unimpaired and “ride through” the Chapter 11 Cases, and brings in at least approximately \$60 million of new liquidity for the Debtors to fund go forward operations. The Debtors are seeking confirmation of the Plan as quickly as the Court’s schedule and requisite notice periods will permit to implement the proposed restructuring and recapitalization transactions under the Transaction Support Agreement and Plan.

**THE DEBTORS’ INSURANCE POLICIES,  
BONDING PROGRAM, AND LETTERS OF CREDIT**

**I. THE DEBTORS’ INSURANCE POLICIES**

11. In the ordinary course of business, the Debtors maintain certain insurance policies that are administered by various insurers (the “*Insurers*”), which provide coverage to the Debtors for, among other things, property damage, general commercial liability, crime, cyber liability,

workers' compensation<sup>3</sup> and employer's liability, directors' and officers' liability<sup>4</sup>, automobile liability, pollution liability, ocean cargo damage, and various other liability and property losses, liabilities, and claims (such insurance policies are referred to herein collectively as the "***Insurance Policies***"). A detailed list of the Insurance Policies is attached to the Proposed Order as **Exhibit A**.<sup>5</sup> The Debtors' Insurance Policies are held in the name of Debtor The Container Store, Inc. and provide coverage for the Debtors and certain non-Debtor affiliates<sup>6</sup> as subsidiaries of the named insured. The Insurance Policies provide coverage that is typical in scope and amount for businesses within the Debtors' industry and of the Debtors' size.

12. The Debtors typically obtain most of their Insurance Policies through Marsh McLennan Agency LLC ("***MMA***"), pursuant to that certain Engagement Letter between MMA and Debtor The Container Store, Inc., dated as of September 15, 2024 (the "***MMA Contract***"). The Debtors obtain directors' and officers' insurance and related employment coverage through Woodruff-Sawyer & Co., Inc. ("***WS***," and together with MMA, the "***Brokers***"). The Brokers assist

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<sup>3</sup> The Debtors have separately sought authorization to honor their obligations under their workers' compensation programs (including making prepetition payments associated with insurance premiums) as part of the contemporaneously filed *Motion of Debtors for Entry of an Order (I) Authorizing the Debtors to (A) Pay Certain Employee Compensation and Benefits, (B) Maintain and Continue Such Benefits and Other Employee-Related Programs, and (C) Pay Prepetition Claims of Contracted Labor; (II) Granting Relief from Automatic Stay with Respect to Workers' Compensation Claims; and (III) Granting Related Relief* (the "***Wages Motion***"), filed contemporaneously herewith. While the Debtors have included reference to their workers' compensation insurance programs and the attendant premiums associated with that coverage in this Motion, they are not seeking authority to pay those amounts in this Motion.

<sup>4</sup> Prior to the Petition Date, the Debtors purchased 6 years of runoff or "tail" coverage for the D&O policies which cover the policy term from February 15, 2025 to February 15, 2031. All of the premiums and other obligations related to the tail coverage were paid prior to the Petition Date in the amount of approximately \$1,470,000.

<sup>5</sup> The Debtors request authority to honor obligations and renew all insurance policies, as applicable, notwithstanding any failure of the Debtors to include a particular insurance policy on **Exhibit A**. For the avoidance of doubt, the Debtors hereby request authority to pay any outstanding prepetition amounts related to such renewed Insurance Policies notwithstanding any potential inconsistencies in **Exhibit A**. The Debtors reserve the right to supplement this list as appropriate with respect to such renewed Insurance Policies or in the event that any Insurance Policy was inadvertently omitted.

<sup>6</sup> The non-Debtor affiliates covered by certain of the Insurance Policies include Elfa International AB, Elfa Manufacturing Sweden AB, Elfa Doors AB, Elfa Norge A/S, Elfa Sverige AB, Elfa Manufacturing Poland Sp.Zo.o, Elfa Finland OY, Elfa Danmark A/S, and Elfa Deutschland GmbH.

in obtaining comprehensive insurance coverage and provide related services, including procuring and negotiating the Insurance Policies on advantageous terms and at competitive rates, providing claims services, and providing certain risk control services. In exchange for the receipt of these services, the Brokers receive commissions and annual fees. MMA's annual fee is \$200,000, subject to reductions by commissions paid by the Insurers, which is paid by the Debtors in quarterly installments. WS's annual fee is \$75,000, subject to reductions by commissions paid by the Insurers, which is paid by the Debtors in full up front. The Brokers' commissions are paid by the Insurers in the form of fees, which are incorporated into the policy premiums and paid as the policy premiums come due. The Debtors paid approximately \$211,000 in respect of the Brokers' fees over the past 12 months.

13. The manner in which the Debtors pay premiums and other costs associated with the Insurance Policies depends on the particular Insurance Policy. Debtor The Container Store, Inc. pays premiums on account of its own insurance-related obligations, as well as those of the other Debtors and applicable non-Debtors. The Debtors pay most premiums through the Brokers (which in turn pays the applicable Insurer), though for policies relating to general liability, automobile liability, flood, and workers' compensation, the applicable Insurer sends invoices directly to the Debtors. For the avoidance of doubt, by this Motion, the Debtors seek authority to make payments directly to the Insurers or the Brokers, as applicable, on account of the Prepetition Insurance Obligations (as defined below).

14. The Insurance Policies renew at various times throughout each year.<sup>7</sup> For all Insurance Policies excluding property, umbrella, general liability, automobile liability, and

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<sup>7</sup> Prior to the Petition Date, the Debtors purchased a nine-month extension of the D&O policy which covered the original policy period of December 10, 2023 – December 10, 2024. All of the premiums and other obligations related to these extensions were paid prior to the Petition Date in the amount of approximately \$940,000.

workers' compensation coverage, the Debtors pay all of the annual premiums due for each of the policies at the beginning of each particular policy period. The Debtors pay premiums for general liability, automobile liability, and workers' compensation coverage policies in two equal payments, occurring at the beginning of each particular policy period and thirty days thereafter, respectively. The Debtors pay premiums for property damage and umbrella coverage policies on a quarterly and monthly basis, respectively. The Debtors' general liability, automobile liability, workers' compensation, and ocean cargo coverage policies are subject to an annual audit through which the Debtors may be obligated to pay an additional premium if actual exposures exceed the projected exposures under the policies. The total amount paid in annual and other premiums and payments associated with the Insurance Policies is approximately \$5.47 million in the aggregate.

15. While, pursuant to the policy terms, premiums under certain Insurance Policies will come due following the Petition Date, the Debtors are not aware of any past due premium amounts owing under any of the Insurance Policies. However, in the event that a request for payment of additional amounts attributable to the period before the Petition Date is outstanding or is received by the Debtors in accordance with the Insurance Policies and related services, the Debtors request authority to make payments or effectuate setoffs on account of the prepetition amounts to the Brokers and Insurers (the "***Prepetition Insurance Obligations***"). The Debtors further request authority to renew, replace,<sup>8</sup> modify, extend, or add to the existing Insurance Policies, including by paying any premiums that may be triggered during the Chapter 11 Cases with respect to "runoff" options contained in the Insurance Policies, or to obtain new insurance policies postpetition.

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<sup>8</sup> In the context of the Insurance Programs, "***replace***", means to purchase an equivalent new insurance policy, bond, letter of credit, or contract upon expiration of the term or period of the existing policy, bond, letter of credit, or contract.

## II. THE DEBTORS' BONDING PROGRAM

16. In the ordinary course of business, the Debtors are required by certain applicable statutes, rules, and regulations to maintain bonds in favor of certain third parties to secure the Debtors' payment or performance of certain obligations, often to governmental units or other public agencies (the "**Bonding Program**"). The Bonding Program covers a range of obligations including, among other things, obligations related to customs, state programs, licensing, taxes, and utilities (the "**Covered Obligations**"). A detailed list of the bonds that are currently maintained by the Debtors, as well as their expiration dates, is attached to the Proposed Order as **Exhibit B**.<sup>9</sup> The Debtors believe that the Bonding Program provides coverage that is typical in scope and amount for businesses within the Debtors' industry.

17. As of the Petition Date, the Debtors' have twenty-nine (29) outstanding surety bonds totaling approximately \$540,000 (collectively, the "**Surety Bonds**"). The premiums for the Surety Bonds are generally determined on an annual basis and are paid directly by the Debtors when the Surety Bonds are issued and annually upon renewal. The total amount paid in annual premiums and payments associated with the Surety Bonds, in the aggregate, is approximately \$10,000. All of the Surety Bonds were issued by Arch Insurance Company or Travelers Casualty and Surety Company (collectively, the "**Sureties**").

18. The issuance of a surety bond shifts the risk of the Debtors' nonperformance or nonpayment of their obligations covered by the surety bond from the beneficiary of the surety to the applicable Surety. If the Debtors fail to pay such Covered Obligations, the applicable Surety

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<sup>9</sup> The Debtors request authority to honor obligations and renew all bonds, as applicable, notwithstanding any failure of the Debtors to include a particular bond on **Exhibit B**. For the avoidance of doubt, the Debtors hereby request authority to honor obligations and renew bonds notwithstanding any potential inconsistencies in **Exhibit B**. The Debtors reserve the right to supplement this list as appropriate with respect to such renewed bonds or in the event that any bond was inadvertently omitted.



will pay the Debtors' obligations up to a specified amount. Unlike an insurance policy, if a Surety incurs a loss on a Surety Bond, the Surety is entitled to recover the full amount of that loss from the Debtors.

19. As of the Petition Date, the Debtors believe that all premium payments due and owing under the Bonding Program have been paid in full and the Debtors are not aware of any pending requests for payment by the Sureties. However, out of an abundance of caution, the Debtors request that they be authorized to maintain the Bonding Program in the same manner as they did prepetition and to pay any prepetition claims related to the Covered Obligations (the "*Prepetition Bonding Obligations*"). The Debtors further request authority to honor the current Surety Bonds in place and renew, replace, modify, extend, or add to the Bonding Program as needed postpetition, including through the issuance of new surety bonds.

### III. LETTERS OF CREDIT

20. The Debtors have approximately \$7.9 million of outstanding letters of credit (the "*Letters of Credit*" and, together with the Insurance Policies and Bonding Program, the "*Insurance Programs*"), all issued by JPMorgan Chase Bank, N.A. ("*JPMorgan*"). The Letters of Credit cover a range of obligations including, among other things, obligations related to employee credit cards, inventory, utilities, customs, and insurance-related obligations. A detailed list of the Letters of Credit that are currently maintained by the Debtors, as well as their expiration dates, is attached to the Proposed Order as Exhibit C.<sup>10</sup>

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<sup>10</sup> The Debtors request authority to honor obligations and renew all letters of credit, as applicable, notwithstanding any failure of the Debtors to include a particular letter of credit on Exhibit C. For the avoidance of doubt, the Debtors hereby request authority to honor obligations and renew letters of credit notwithstanding any potential inconsistencies in Exhibit C. The Debtors reserve the right to supplement this list as appropriate with respect to such renewed Letters of Credit or in the event that any letter of credit was inadvertently omitted.

21. As of the Petition Date, the Debtors do not believe there are any payments due and owing on account of the Letters of Credit and the Debtors are not aware of any pending requests for payment on the Letters of Credit (the “*Prepetition Letters of Credit Obligations*” and, together with the Prepetition Insurance Obligations, and Prepetition Bonding Obligations, the “*Prepetition Insurance Program Obligations*”). The Debtors request authority to honor the current Letters of Credit and renew, replace, modify, extend, or add to the Letters of Credit as needed postpetition, including through the issuance of new letters of credit.

### **BASIS FOR RELIEF**

#### **I. PAYING PREPETITION INSURANCE PROGRAM OBLIGATIONS IS A SOUND EXERCISE OF THE DEBTORS’ BUSINESS JUDGMENT**

22. To the extent that payment of any of the Prepetition Insurance Program Obligations would be deemed to constitute a use of property outside the ordinary course of business, the relief requested is appropriate under section 363(b)(1) of the Bankruptcy Code. Under section 363(b)(1) of the Bankruptcy Code, a debtor may, in the exercise of its sound business judgment and after notice and a hearing, “use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1); *see also In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (“Section 363(b) gives the court broad flexibility in tailoring its orders to meet a wide variety of circumstances.”). Courts in the Fifth Circuit have granted a debtor’s request to use property of the estate outside of the ordinary course of business upon a finding that such use is supported by sound business reasons. *See, e.g., In re BNP Petrol. Corp.*, 642 F. App’x 429, 434–35 (5th Cir. 2016) (citing *In re Cont’l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986)) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business”); *see also ASARCO, Inc. v. Elliott Mgmt. (In re*

*ASARCO L.L.C.*), 650 F.3d 593 (5th Cir. 2011) (“Section 363 of the Bankruptcy Code addresses the debtor’s use of property of the estate and incorporates a business judgment standard. . . The business judgment standard in section 363 is flexible and encourages discretion.”).

23. The Debtors’ sound business judgment supports paying the Prepetition Insurance Program Obligations, because the failure to pay the obligations could result in: (a) the cancellation, or attempted cancellation, of the Insurance Policies, the Surety Bonds, or the Letters of Credit; (b) the Debtors’ inability to obtain renewal or replacement of the Insurance Policies, Surety Bonds, or Letters of Credit on terms that are as competitive; and (c) the violation of the Operating Guidelines (defined below), applicable laws and regulations, various contractual commitments, or the fiduciary duties of the Debtors as debtors in possession. Each of these outcomes would be detrimental to the Debtors, their creditors, and their estates and would create unnecessary risks that far outweigh the cost of paying the applicable prepetition amounts. Accordingly, the Debtors should be authorized to pay the Prepetition Insurance Program Obligations under section 363(b) of the Bankruptcy Code.

## **II. THE DEBTORS SHOULD BE AUTHORIZED TO MAINTAIN THE INSURANCE PROGRAMS POSTPETITION, INCLUDING, BUT NOT LIMITED TO, ENTERING INTO NEW INSURANCE PROGRAMS**

24. Maintaining coverage under the Insurance Programs on an uninterrupted basis is essential to the continued operation of the Debtors’ businesses and, in many instances, is required under the laws, regulations, and contracts that govern the Debtors’ business operations, including the Guidelines for Debtors-in-Possession issued by the Office of the United States Trustee for Region 7 (the “*Operating Guidelines*”). See Operating Guidelines § III (requiring maintenance of appropriate insurance coverage). Further, under section 1112(b)(4)(C) of the Bankruptcy Code, a “failure to maintain appropriate insurance that poses a risk to the estate or to the public” is “cause” for mandatory conversion or dismissal of a chapter 11 case. 11 U.S.C. § 1112(b)(4)(C).

25. The Debtors believe that the ordinary course maintenance of the Insurance Policies, including, but not limited to, paying all Prepetition Insurance Obligations, satisfying all postpetition commitments to the Insurers, renewing the Insurance Policies, securing new insurance or entering into new insurance contracts, and otherwise maintaining the Insurance Policies, without further order of the Court, is necessary and essential for the Debtors to achieve their chapter 11 objectives, especially where, as here, the Debtors' failure to maintain their Insurance Policies, could have disastrous consequences for the Debtors' estates.

26. Many of the required insurance policies cannot be directly purchased by the Debtors and can only be placed through a broker. Should either Broker terminate the applicable Broker Contract and their relationship with the Debtors, the Debtors would be in the unfavorable position of having to find a new broker while in chapter 11, likely at greater expense and resulting in additional costs and inefficiencies. Accordingly, maintaining their relationships with the Brokers allows the Debtors to obtain the insurance coverage necessary to operate their businesses in a reasonable and prudent manner and to realize savings in securing and maintaining the Insurance Policies. The Debtors, therefore, believe that it is necessary and essential to continue their business relationship with the Brokers and honor any obligations to the Brokers in connection therewith.

27. The Debtors do not believe that there are any accrued and unpaid amounts owed to the Brokers as of the Petition Date. Nevertheless, insofar as the employment of the Brokers is necessary for the ordinary course maintenance of the Insurance Policies in the most efficient, cost-effective manner (and has the additional benefit of positioning the Debtors to obtain the most competitive rates and high-quality service from the Brokers in connection with any renewals of the Insurance Policies), the Debtors believe that, out of an abundance of caution, they should be

authorized to continue to pay, as they come due, any Broker's fees, commissions, or other amounts owed to either Broker.

28. With respect to the Bonding Program, to continue their business operations, the Debtors must be able to provide financial assurances to federal and state governments, regulatory agencies, and other third parties. Accordingly, the Debtors need to maintain the existing Bonding Program, including paying the premiums and any related fees as they come due, renewing or potentially acquiring additional bonding capacity as needed in the ordinary course of their businesses, requesting releases from obsolete bonding obligations, and executing other agreements in connection with the Bonding Program. The Debtors do not believe that any feasible alternative to maintaining their current Bonding Program exists, and the success of the Debtors' operations depends on the maintenance of the Bonding Program on an uninterrupted basis.

29. The Debtors submit that section 363(c) of the Bankruptcy Code provides statutory authority for the Debtors' request for authorization to maintain the Insurance Programs, satisfy all of the Debtors' postpetition commitments with respect to the Insurers, the Brokers, the Letters of Credit, and the Sureties, renew the Insurance Policies, Surety Bonds, and Letters of Credit, enter into new insurance policies, surety bonds, and letters of credit, and otherwise maintain the Insurance Programs as appropriate in the ordinary course of business and in the Debtors' sole discretion. Section 363(c)(1) of the Bankruptcy Code provides that "unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1).

30. Maintaining the Insurance Programs and honoring postpetition obligations arising thereunder and under the MMA Contract, including undertaking renewals of the Insurance Policies, the Surety Bonds, and Letters of Credit as they expire or entering into new insurance

arrangements, surety contracts, or letters of credit, are each the type of ordinary course transactions contemplated by section 363(c) of the Bankruptcy Code. In the event, however, that the Court believes that any actions are not properly characterized as transactions in the ordinary course of the Debtors' business, the Debtors respectfully request that the Court authorize the Debtors to take actions pursuant to section 363(b) of the Bankruptcy Code as a sound exercise of their business judgment.

### **III. MAINTENANCE OF THE INSURANCE POLICIES AND PAYMENT OF THE PREPETITION INSURANCE PROGRAM OBLIGATIONS ARE AUTHORIZED UNDER SECTIONS 1107(A) AND 1108 OF THE BANKRUPTCY CODE**

31. The Debtors, operating their businesses as debtors-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code, are fiduciaries "holding the bankruptcy estate[s] and operating the business[es] for the benefit of [their] creditors and (if the value justifies) equity owners." *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002). Implicit in the duties of a debtor in possession is the duty "to protect and preserve the estate, including an operating business's going-concern value." *Id.* As described above, insurance coverage is required by the Operating Guidelines. Moreover, as fiduciaries for the bankruptcy estates, the Debtors could be violating their duties if they permitted any of the Insurance Policies to lapse.

32. The court in *CoServ* also noted that there are instances in which a debtor in possession can fulfill its fiduciary duty "only . . . by the preplan satisfaction of a prepetition claim." *See id.* The *CoServ* court specifically noted that preplan satisfaction of prepetition claims would be a valid exercise of a debtor's fiduciary duty when the payment "is the only means to effect a substantial enhancement of the estate." *Id.* at 498. That court provided a three-pronged test for determining whether a preplan payment on account of a prepetition claim was a valid exercise of a debtor's fiduciary duty:

First, it must be critical that the debtor deal with the claimant. Second, unless it deals with the claimant, the debtor risks the probability of harm, or, alternatively, loss of economic advantage to the estate or the debtor's going concern value, which is disproportionate to the amount of the claimant's prepetition claim. Third, there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim.

*Id.* at 498.

33. Payment of all Prepetition Insurance Program Obligations meets each element of the *CoServ* court's standard. As described above, non-payment of the Prepetition Insurance Program Obligations could result in cancellation of the Insurance Programs, in which case the Debtors would not only be in violation of the Operating Guidelines, various federal and state laws and regulations, and various contractual commitments, but the Debtors may also be unable to find alternative insurance coverage, or could find such alternatives only at a much higher cost than the Debtors currently incur. Nonpayment of any Prepetition Insurance Program Obligations could also render the Debtors unable to renew the Insurance Policies, Surety Bonds, or Letters of Credit or obtain replacements therefor with respect to future periods. Therefore, the potential harm and economic disadvantage that would stem from the failure to honor any Prepetition Insurance Program Obligations are grossly disproportionate to the amount of any Prepetition Insurance Program Obligations. Finally, the Debtors have examined other options short of honoring the Prepetition Insurance Program Obligations and have determined that no practical or legal alternative to payment of such obligations exists that would avoid significant disruption to the Debtors' business operations,.

34. Accordingly, to meet their fiduciary duties as debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors must not only be authorized to continue the Insurance Programs but also be authorized to pay all Prepetition Insurance Program

Obligations (including any Broker's fees) if doing so is necessary, in the Debtors' judgment, to avoid cancellation or interruption of insurance coverage.

**IV. NO PARTY WILL BE PREJUDICED BY THE RELIEF REQUESTED IN THIS MOTION**

35. No party in interest will be prejudiced by the relief requested by this Motion because claims related to the Insurance Programs are unimpaired under the Plan and will be paid in full. Thus, the relief requested herein seeks to alter only the timing, not the amount or priority, of such payments. Moreover, as set forth more fully herein authority to pay amounts related to the Insurance Programs in the ordinary course of business is necessary to avoid the risk of loss of coverage and the attendant disruption of the Debtors' business.

**V. THE COURT SHOULD AUTHORIZE BANKS TO HONOR AND PAY CHECKS ISSUED AND ELECTRONIC FUNDS TRANSFER REQUESTS MADE TO PAY THE PREPETITION INSURANCE PROGRAM OBLIGATIONS**

36. The Debtors further request that the Court authorize, but not direct, their banking institutions and all other applicable banks and other financial institutions to receive, process, honor, and pay any and all checks drawn or electronic fund transfer requests made relating to the Prepetition Insurance Program Obligations, regardless of whether such checks were presented or such fund transfer requests were made before or after the Petition Date. The Debtors expect to have sufficient liquidity to pay such amounts as they become due in the ordinary course of business, and under the Debtors' existing cash management system, checks or wire transfer requests can be readily identified as relating to an authorized payment of the Prepetition Insurance Program Obligations. As such, the Debtors believe that checks or wire transfer requests, other than those relating to authorized payments, will not be honored inadvertently. The Debtors also seek authority to issue new postpetition checks or effect new electronic fund transfers on account of the Prepetition Insurance Program Obligations to replace any prepetition checks or electronic



fund transfer requests that may be dishonored or rejected as a result of the commencement of the Chapter 11 Cases.

**EMERGENCY CONSIDERATION**

37. The Debtors respectfully request emergency consideration of this Motion pursuant to Bankruptcy Local Rule 9013-1(i), the Complex Case Procedures, and Bankruptcy Rule 6003, which authorizes a court to grant relief within the first 21 days after the commencement of a chapter 11 case “to the extent that relief is necessary to avoid immediate and irreparable harm.” The Debtors believe that an immediate and orderly transition into chapter 11 is critical to the viability of their operations and the success of the Chapter 11 Cases. As discussed in detail above, immediate and irreparable harm would result if the relief requested herein is not granted. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003, and the Debtors believe that emergency consideration is necessary and respectfully request that this Motion be heard on an emergency basis.

**WAIVER OF BANKRUPTCY RULE 6004(a) AND (h)**

38. Additionally, with respect to any aspect of the relief sought herein that constitutes a use of property under section 363(b) of the Bankruptcy Code, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a), to the extent not otherwise satisfied, and of the fourteen-day stay under Bankruptcy Rule 6004(h). As described above, the relief that the Debtors seek in this Motion is immediately necessary for the Debtors to be able to continue to operate their businesses and preserve the value of their estates. The Debtors thus submit that the requested waiver of the notice requirements of Bankruptcy Rule 6004(a) and of the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is appropriate, as the exigent nature of the relief sought herein justifies immediate unstayed relief.

**RESERVATION OF RIGHTS**

39. Nothing in this Motion shall be deemed: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity, or perfection or seek avoidance of all such liens are expressly reserved); (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (h) a waiver of the obligation of any party in interest to file a proof of claim; or (i) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law. If the Court enters any order granting the relief sought herein, any payment made pursuant to such order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

40. Nothing in the Proposed Order or this Motion shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of any Debtor that did not exist as of the Petition Date or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

41. Nothing in the Proposed Order or this Motion shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

**NOTICE**

42. Notice of the Motion will be given to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) counsel to the DIP Term Loan Agents; (c) counsel to the DIP ABL Loan Agent; (d) counsel to the Ad Hoc Group and DIP Lenders; (e) counsel to the Prepetition Term Loan Agent; (f) counsel to the Prepetition ABL Agent; (g) the creditors listed on the Debtors' consolidated list of thirty (30) creditors holding the largest unsecured claims; (h) the Insurers; (i) the Sureties; (j) the Broker; (k) JPMorgan; (l) the United States Attorney for the Southern District of Texas; (m) the Internal Revenue Service; (n) the Securities and Exchange Commission; (o) the state attorneys general for states in which the Debtors conduct business; and (p) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

43. A copy of the Motion is available on (a) the Court's website, at [www.txs.uscourts.gov](http://www.txs.uscourts.gov), and (b) the website maintained by the Debtors' proposed claims and noticing agent, Kurtzman Carson Consultants, LLC d/b/a Verita Global, at <https://www.veritaglobal.net/thecontainerstore>.

*[Remainder of page intentionally left blank.]*

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Order granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: December 23, 2024  
Houston, Texas

Respectfully submitted,

*/s/ Timothy A. ("Tad") Davidson II*

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**HUNTON ANDREWS KURTH LLP**

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*Proposed Co-Counsel for the Debtors  
and Debtors in Possession*

**CERTIFICATE OF SERVICE**

I certify that on December 23, 2024, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II  
Timothy A. ("Tad") Davidson II

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

	X	
	:	
In re:	:	Chapter 11
	:	
THE CONTAINER STORE GROUP, INC., <i>et al.</i> ,	:	Case No. 24-90627 (ARP)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	
	X	

**ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY THE  
PREPETITION INSURANCE PROGRAM OBLIGATIONS,  
(B) MAINTAIN THE INSURANCE PROGRAMS POSTPETITION,  
(C) MAINTAIN THE BONDING PROGRAM AND HONOR RELATED OBLIGATIONS,  
AND (D) HONOR LETTERS OF CREDIT; AND (II) GRANTING RELATED RELIEF**  
[Relates to Docket No. \_\_\_\_]

Upon the emergency motion (the “*Motion*”)<sup>2</sup> of the Debtors for entry of an order (this “*Order*”) (i) authorizing, but not directing, the Debtors, in their sole discretion, to (a) pay or setoff prepetition claims arising under their ordinary course Insurance Programs, if any, (b) maintain the Insurance Policies in the ordinary course postpetition, (c) maintain the Bonding Program in the ordinary course postpetition and pay any prepetition claims arising under the Bonding Program, and (d) honor the current Letters of Credit and renew, replace, modify, extend, or add to the Letters of Credit as needed postpetition, and (ii) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion and the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core

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<sup>1</sup> The Debtors in these cases, together with the last four digits of each Debtor’s taxpayer identification number, are: The Container Store Group, Inc. (5401); The Container Store, Inc. (6981); C Studio Manufacturing Inc. (4763); C Studio Manufacturing LLC (5770); and TCS Gift Card Services, LLC (7975). The Debtors’ mailing address is 500 Freeport Parkway, Coppell, TX 75019.

<sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the Motion.

proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary, except as set forth in the Motion with respect to entry of this Order; and upon the record herein; and after due deliberation thereon; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Debtors are authorized, but not directed, to maintain and continue the Insurance Programs in the ordinary course of business.

2. The Debtors are authorized, but not directed, to pay to the Insurers, the Brokers, and the Sureties any amounts owed on account of the Insurance Programs or maintenance of the Insurance Programs, whether arising prepetition or postpetition, including the fees, costs, premiums, and commissions of the Brokers in connection with the Insurance Programs and the MMA Contract, as applicable, in the ordinary course of business.

3. The Debtors are authorized, but not directed, to honor the current Letters of Credit and renew, replace, modify, extend, or add to the Letters of Credit as needed postpetition, including through the issuance of new letters of credit. The Debtors shall provide no less than five (5) business-days' notice to counsel to the Ad Hoc Group and counsel to the ABL Agent prior to replacing any letters of credit with cash.

4. The Debtors are authorized to pay any Prepetition Bonding Obligations. The Debtors are further authorized, but not directed, to maintain the Bonding Program in the ordinary

course and honor the current Surety Bonds in place and renew, replace, modify, extend, or add to the Bonding Program as needed, including through the issuance of new surety bonds.

5. The Debtors are authorized, but not directed, to renew, replace, modify, extend, or add to the Insurance Programs or the MMA Contract in the ordinary course of business as needed, including but not limited to entering into new insurance policies, broker contracts, surety bonds, and letters of credit through renewal or purchase of new insurance coverage or insurance policies, broker contracts, surety bonds, and letters of credit, and/or by posting collateral as required by the Insurers, Brokers, Sureties, or issuers of the Letters of Credit. The Debtors shall promptly notify counsel to the Ad Hoc Group and counsel to the ABL Agent to the extent the Debtors provide new or additional collateral to any Insurers, Brokers, Sureties, or issuers of the Letters of Credit.

6. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Programs are owed.

7. The Debtors' banks and financial institutions are authorized to receive, process, honor, and pay all checks, drafts, electronic fund transfers, or other forms of payment drawn or issued on the Debtors' bank accounts before the Petition Date for the Prepetition Insurance Program Obligations that have not been honored and paid as of the Petition Date (or to reissue checks, drafts, electronic fund transfers, or other forms of payment drawn or issued on the Debtors' bank accounts, as may be necessary), and are authorized to rely on the Debtors' directions or representations as to which checks, drafts, transfers, or other forms of payment drawn or issued on the Debtors' bank accounts are subject to this Order; *provided* that sufficient funds are on deposit in the applicable bank accounts to cover such payments, and any such banks and financial institutions shall not have any liability to any party for relying on such directions or representations by the Debtors as provided in this Order.



8. Nothing in the Motion or this Order, or the relief granted herein (including any actions taken or payments made by the Debtors), is to be construed as: (a) an implication or admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion; (e) a concession by the Debtors that any lien (contractual, common, statutory or otherwise) satisfied pursuant to the Motion is valid (and all rights to contest the extent, validity or perfection or seek avoidance of all such liens are expressly reserved); (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (h) a waiver of the obligation of any party in interest to file a proof of claim; or (i) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code or any other applicable law. Nothing contained in this Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

9. Nothing in this Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

10. Nothing in this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as a waiver of the right of Debtors, or shall impair the ability of Debtors, to contest the validity and amount of any payment made pursuant to this Order.

11. Notwithstanding anything to the contrary contained herein, any payment to be made hereunder, and any authorization contained herein, shall be subject to any interim and final orders, as applicable, approving the use of such cash collateral and/or the Debtors' entry into any postpetition financing facilities or credit agreements, and any budgets in connection therewith governing any such postpetition financing and/or use of cash collateral (each such order, a "***DIP Order***"). To the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control. Nothing in the Motion or this Order waives or modifies the requirements of the Transaction Support Agreement, including, without limitation, the consent and consultation rights contained therein.

12. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

13. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

14. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied because the relief set forth in this Order is necessary to avoid immediate and irreparable harm.

15. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.

16. The Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Signed: \_\_\_\_\_

\_\_\_\_\_  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A****Insurance Policies<sup>1</sup>**

INSURANCE POLICIES						
Policy Named Insured	Policy Type	Insurance Carrier	Coverage Period Start	Coverage Period End	Policy Number	Premium
The Container Store, Inc.	D&O Primary	ACE American Insurance Co.	12/10/2023	9/10/2025	G26810589 011	300,400
The Container Store, Inc.	D&O (\$5M X \$5M)	Berkshire Hathaway Specialty Insurance Company	12/10/2023	9/10/2025	47-EPC-303162-08	206,903
The Container Store, Inc.	D&O (\$5M X \$10M)	Applied Financial Lines	12/10/2024	9/10/2025	BFLXLDNTX010400_022602 01	142,500
The Container Store, Inc.	D&O (\$5M x \$15M)	National Union Fire Insurance Company of Pittsburgh, PA	12/10/2023	9/10/2025	01-823-74-13	99,750
The Container Store, Inc.	D&O (\$5M X \$20M)	Lloyd's Insurance Company	12/10/2023	9/10/2025	B1510FP2300184	74,116
The Container Store, Inc.	D&O (\$5M X \$25M)	Endurance American Insurance Company	12/10/2024	9/10/2025	ADX30073654800	67,412
The Container Store, Inc.	D&O (\$5M X \$30M)	Hudson Insurance Company	12/10/2023	9/10/2025	HN-0303-6120-121023	44,840
The Container Store, Inc.	D&O Tail	ACE American Insurance Co.	2/15/2025	2/15/2031	DONG26810589011	475,000
The Container Store, Inc.	D&O Tail	Berkshire Hathaway Specialty Insurance Company	2/15/2025	2/15/2031	47EPC30316208	328,329
The Container Store, Inc.	D&O Tail	Applied Financial Lines	2/15/2025	2/15/2031	BFLXLDNTX01040002260201	226,130
The Container Store, Inc.	D&O Tail	National Union Fire Insurance Company of Pittsburgh, Pa.	2/15/2025	2/15/2031	018237413	157,667
The Container Store, Inc.	D&O Tail	Lloyd's Insurance Company	2/15/2025	2/15/2031	B1510FP2300184	117,272
The Container Store, Inc.	D&O Tail	Endurance American Insurance Company	2/15/2025	2/15/2031	ADX30073654800	91,159

<sup>1</sup> The workers' compensation and employer liability policies are included in this schedule for the sake of completeness; however, all relief sought by the Debtors in respect thereof is sought pursuant to the Wages Motion.

The Container Store, Inc.	D&O Tail	Hudson Insurance Company	2/15/2025	2/15/2031	HN03036120121023	70,900
The Container Store, Inc.	D&O Non-Profit	Federal Insurance Company	12/10/2024	12/10/2025	J0640327A	1,119
The Container Store, Inc.	Employment Practices Liability	Endurance Assurance Corporation	12/10/2024	12/10/2025	MAP30014063603	78,553
The Container Store, Inc.	Fiduciary Liability	Federal Insurance Company	12/10/2024	12/10/2025	J0597270A	12,507
The Container Store, Inc.	Excess Fiduciary Liability	Endurance American Insurance Company	12/10/2024	12/10/2025	FLX30073785300	10,000
The Container Store, Inc.	Workplace Violence	Federal Insurance Company	12/10/2024	12/10/2025	82507624	2,137
The Container Store, Inc.	General Liability	ACE American Insurance Co.	9/15/2024	9/15/2025	HDOG48925388	322,807
The Container Store, Inc.	Foreign Package	ACE American Insurance Co.	9/15/2024	9/15/2025	PHFD42183593008	3,050
The Container Store, Inc.	Pollution Liability	AIG Specialty Insurance Co.	9/15/2024	9/15/2025	CPO15425996	18,017
The Container Store, Inc.	Cyber	Allied World Assurance Co (U.S.) Inc.	9/15/2024	9/15/2025	03130618	147,033
The Container Store, Inc.	Excess Cyber (\$5M X \$5M)	Crum & Forster Specialty Insurance Co	9/15/2024	9/15/2025	CYB107903	94,101
The Container Store, Inc.	Excess Cyber (\$5M X \$10M)	Lloyd's Syndicate 3623 (Beazley)	9/15/2024	9/15/2025	W381C0240101	60,225
The Container Store, Inc.	Crime	Great American Insurance Co.	9/15/2024	9/15/2025	CAPPE2377650700	16,366
The Container Store, Inc.	Business Auto	Indemnity Insurance Co. of North America	9/15/2024	9/15/2025	CALH10846584	148,914
The Container Store, Inc.	CA Excess Earth Movement	Palomar Excess and Surplus Insurance Company	9/15/2024	9/15/2025	PE705765	45,989
The Container Store, Inc.	Ocean Cargo & Domestic Transit	The Continental Insurance Company	9/15/2024	9/15/2025	OC262073	38,700
The Container Store, Inc.	Primary Umbrella	Travelers Property Casualty Co.	9/15/2024	9/15/2025	CUP7Y49477824NF	149,126
The Container Store, Inc.	Excess Umbrella (\$15M XS \$10M)	National Union Fire Insurance Company of Pittsburgh, PA	9/15/2024	9/15/2025	15717159	67,233
The Container Store, Inc.	Excess Umbrella (\$25M XS \$25M)	Navigators Insurance Company	9/15/2024	9/15/2025	CH24MXEZ0EY2MIV	52,000

The Container Store, Inc.	Property	XL Insurance America, Inc.	9/15/2024	9/15/2025	US00076091PR24A	1,166,752
The Container Store, Inc.	Flood	Selective Insurance Co. Of the Southeast	8/1/2024	8/1/2025	FLD1525254	2,533
The Container Store, Inc.	Flood	Selective Insurance Co. Of the Southeast	4/24/2024	4/24/2025	FLD1309575	1,471
The Container Store, Inc.	Flood	Selective Insurance Co. of New York	10/28/2024	10/28/2025	FLD2232880	1,160
The Container Store, Inc.	Flood	Hartford Fire Insurance Company	12/6/2024	12/6/2025	87016530842019	3,567
The Container Store, Inc.	Workers Compensation - AOS	ACE American Insurance Co.	9/15/2024	9/15/2025	WLRC72604222	553,735
The Container Store, Inc.	Workers Compensation - WI	ACE American Insurance Co.	9/15/2024	9/15/2025	SCFC7260426A	13,108
The Container Store, Inc.	Workers Compensation - OH	Ohio Bureau of Workers Compensation	7/1/2024	7/1/2025	1339291	24,123
The Container Store, Inc.	Workers Compensation - WA	State of Washington Department of Labor & Industries	n/a	n/a	098413010	25,875

**EXHIBIT B****Surety Bonds**

<b>SURETY BONDS</b>					
<b>Debtor</b>	<b>Beneficiary Name</b>	<b>Bond Amount</b>	<b>Start Date</b>	<b>End Date</b>	<b>Carrier</b>
The Container Store, Inc.	Memphis Light, Gas and Water Division	\$8,150	11/11/24	11/11/25	Arch Insurance Company
The Container Store, Inc.	Southern California Edison Company	\$27,630	08/02/24	08/02/25	Arch Insurance Company
The Container Store, Inc.	Southern California Edison Company	\$23,841	08/02/24	08/02/25	Arch Insurance Company
The Container Store, Inc.	Southern California Edison Company	\$26,296	08/02/24	08/02/25	Arch Insurance Company
The Container Store, Inc.	Southern California Edison Company	\$12,233	08/02/24	08/02/25	Arch Insurance Company
The Container Store, Inc.	Entergy Arkansas, Inc.	\$2,445	06/23/24	06/23/25	Arch Insurance Company
The Container Store, Inc.	Florida Power & Light Company	\$11,862	05/18/24	05/18/25	Arch Insurance Company
The Container Store, Inc.	Florida Power & Light Company	\$13,780	05/17/24	05/17/25	Arch Insurance Company
The Container Store, Inc.	Sacramento Municipal Utility District	\$8,893	05/17/24	05/17/25	Arch Insurance Company
The Container Store, Inc.	Long Island Lighting Company d/b/a Lipa	\$19,557	05/03/24	05/03/25	Arch Insurance Company
The Container Store, Inc.	Nevada State of	\$109,350	04/17/24	04/17/25	Arch Insurance Company
The Container Store, Inc.	Columbia Gas	\$1,879	04/08/24	04/08/25	Arch Insurance Company
The Container Store, Inc.	conEdison	\$29,255	02/24/24	02/24/25	Arch Insurance Company
The Container Store, Inc.	Baltimore Gas & Electric Company	\$80,486	01/26/24	01/26/25	Arch Insurance Company
The Container Store, Inc.	Entergy Arkansas, Inc.	\$8,478	12/22/24	12/22/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Delmarva Power and Light Company	\$8,800	11/15/24	11/15/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Potomac Electric Power Company	\$12,800	11/15/24	11/15/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Florida Power & Light Company	\$9,840	10/20/24	10/20/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Arizona Public Service Company	\$1,885	10/08/24	10/08/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Southwest Gas Corporation	\$600	10/08/24	10/08/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Progress Energy Carolinas, Inc.	\$7,200	09/20/24	09/20/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Nevada Power Company DBA NV Energy	\$6,230	03/29/24	03/29/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Rhode Island, State of	\$36,107	03/21/24	03/21/25	Travelers-Travelers Casualty and Surety Company

The Container Store, Inc.	PECO Energy Company	\$10,145	03/13/24	03/13/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Georgia Power Company	\$11,185	03/11/24	03/11/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Georgia Power Company	\$20,485	03/11/24	03/11/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Orlando Utilities Commission	\$13,000	03/07/24	03/07/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Florida Power and Light	\$12,298	03/01/24	03/01/25	Travelers-Travelers Casualty and Surety Company
The Container Store, Inc.	Tampa Electric Company	\$4,740	01/16/24	01/16/25	Travelers-Travelers Casualty and Surety Company

**EXHIBIT C****Letters of Credit**

<b>LETTERS OF CREDIT</b>			
<b>Debtor</b>	<b>Value</b>	<b>Issuing Branch Parent Bank Name</b>	<b>Beneficiary</b>
The Container Store, Inc.	\$3,894,025	JPMorgan Chase Bank, N.A.	Federal Insurance Company
The Container Store, Inc.	\$1,800,000	JPMorgan Chase Bank, N.A.	Design Ideas, Ltd
The Container Store, Inc.	\$800,000	JPMorgan Chase Bank, N.A.	American Alternative Insurance Corporation C/O Roanoke Insurance Group Inc.
The Container Store, Inc.	\$450,000	JPMorgan Chase Bank, N.A.	Regent Holding Company, LLC
The Container Store, Inc.	\$275,000	JPMorgan Chase Bank, N.A.	American Express Travel Related Services Company, Inc C/O Global Corporate Payments US
The Container Store, Inc.	\$257,000	JPMorgan Chase Bank, N.A.	TXU Energy Receivables Company LLC
The Container Store, Inc.	\$163,793	JPMorgan Chase Bank, N.A.	Travelers Casualty and Surety Company of America
The Container Store, Inc.	\$150,000	JPMorgan Chase Bank, N.A.	Evriholder Products LLC
The Container Store, Inc.	\$15,790	JPMorgan Chase Bank, N.A.	Dynegy Energy Services LLC