

**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. ¹	:	(Jointly Administered)
	:	
	X	

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO FILE CERTAIN DOCUMENTS UNDER SEAL**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

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, authorizing the Debtors to file the following documents under seal:

- i. DIP Backstop Allocation Schedule;
- ii. Consenting Stockholder Signature Pages and Consenting Term Lender Signature Pages to the Transaction Support Agreement;

¹ 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.



- iii. Fronting Fee Letter (as defined in the DIP Term Loan Credit Agreement); and
- iv. Administrative Agent Fee Letter (as defined in the DIP Term Loan Credit Agreement) (the foregoing, collectively, the “***Sealed Documents***”).²

Each of the Sealed Documents contains non-public, sensitive commercial information for which public disclosure of such information could be competitively harmful to the Debtors and other parties in interest. Copies of the Sealed Documents will be provided to the Court, the United States Trustee, counsel for any official committee appointed in this case, and to any appropriate party upon order of the Court after notice and a hearing.

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) and 107(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “***Bankruptcy Code***”), Rule 9018 of the Federal Rules of Bankruptcy Procedure (the “***Bankruptcy Rules***”), Rules 9013-1 and 9037-1 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.

² Capitalized terms used but not defined herein have the meanings given to them in the *Prepackaged Joint Plan of Reorganization of The Container Store Group, Inc. and its Debtor Affiliates under Chapter 11 of the Bankruptcy Code* [Docket No. 19].

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* [Docket No. 6] (the “**First Day Declaration**”), which is fully incorporated herein by reference. A copy of the Transaction Support Agreement is attached to the First Day Declaration as Exhibit A.

7. 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 (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.

8. The Debtors have also filed the *Emergency Motion of Debtors for Interim And Final Orders (I) Authorizing the Debtors to (A) Obtain Senior Secured Priming Superpriority*

Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Claims With Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing and (VI) Granting Related Relief [Docket No. 7] (the “**DIP Motion**”). Through the DIP Motion, the Debtors seek access to postpetition financing (the “**DIP Facility**”) from certain lenders and agents (the “**DIP Parties**”) that will provide the necessary funding to allow the Debtors to make the transition into bankruptcy and continue operating their businesses during the Chapter 11 Cases.

BASIS FOR RELIEF

9. The relief requested herein is supported by sections 105(a) and 107(b) of the Bankruptcy Code. Specifically, under section 107(b) of the Bankruptcy Code, the Court is authorized to issue orders to protect entities with respect to certain confidential or commercial information. 11 U.S.C. § 107(b). Further, section 105(a) of the Bankruptcy Code, which codifies the Court’s inherent equitable powers, empowers the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

10. Bankruptcy Rule 9018 implements section 107(b) of the Bankruptcy Code and provides in relevant part: “On motion or on its own initiative, with or without notice, the court may make any order which justice requires (1) to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information, (2) to protect any entity against scandalous or defamatory matter contained in any paper filed in a case under the [Bankruptcy] Code[.]” Fed. R. Bankr. P. 9018. Furthermore, Bankruptcy Local Rule 9037-1 authorizes the Court to limit public access to certain documents.

11. The Sealed Documents are attachments and exhibits to certain pleadings filed contemporaneously herewith, including the Transaction Support Agreement and the DIP Motion.

They contain non-public, sensitive commercial information regarding the Debtors, the Consenting Term Lenders, and the DIP Parties. Due to the sensitive nature of the contents of the Sealed Documents, public disclosure would likely cause substantial harm to the Debtors, the Consenting Term Lenders, and the DIP Parties, create an unfair advantage for competitors, and violate the Debtors' agreement with the Consenting Term Lenders and the DIP Parties to keep the terms of the Sealed Documents confidential.

12. The Sealed Documents contain details concerning specific financial holdings of the Consenting Stockholders and the Consenting Term Lenders and reflect detailed, proprietary information describing fees to be paid in connection with the DIP Facility. That information is customarily considered by agents and arrangers in the finance lending industry to be highly sensitive and confidential information not typically disclosed to the public. Given the highly competitive nature of the finance lending industry, it is of the utmost importance that the details of the fee structures set forth in the Sealed Documents be kept confidential so that competitors cannot use the information contained therein to gain a strategic advantage in the marketplace. If available to competitors, the confidential information could be used to the commercial detriment of the Debtors and the DIP Parties.

13. Disclosure of the contents of the Sealed Documents would violate the express terms of the Sealed Documents and the Transaction Support Agreement, setting a discouraging precedent for the Debtors' other potential creditors and trade partners. Further, requiring the Consenting Stockholders and the Consenting Term Lenders to disclose sensitive financial information in connection with the Transaction Support Agreement could discourage other stockholders and lenders from entering into consensual restructuring transactions with debtors in similar contexts in the future. Likewise, requiring DIP Parties to disclose certain information concerning fees in this

context but not in others could have a “chilling effect” on the industry, discouraging lenders from providing financing on terms favorable to debtors in similar contexts in the future.

14. Accordingly, good cause exists to authorize the Debtors to file the Sealed Documents under seal because of the harm that would ensue if the sensitive and confidential commercial information contained in the Sealed Documents became public information

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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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*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

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

**ORDER AUTHORIZING THE DEBTORS
TO FILE CERTAIN DOCUMENTS UNDER SEAL**
[Relates to Docket No. ____]

Upon the emergency motion (the “***Motion***”)² of the Debtors for entry of an order (this “***Order***”) (i) authorizing the Debtors to file the Sealed Documents under seal 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 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

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

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Debtors are authorized to file the Sealed Documents under seal.
2. The Sealed Documents shall remain confidential and under seal, and shall not be made available to anyone except as set forth in the Motion or upon further order of the Court.
3. The Debtors are authorized and empowered to take all actions necessary or appropriate to implement the relief granted in this Order.
4. 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