

**ENTERED**

December 23, 2024

Nathan Ochsner, Clerk

**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> : (Jointly Administered)  
:   
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**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. 12]

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

<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.



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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: December 23, 2024

  
Alfredo R Pérez  
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