

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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**APPLICATION OF DEBTORS FOR ENTRY OF AN ORDER  
(I) AUTHORIZING THE DEBTORS TO (A) EMPLOY AND RETAIN  
FTI CONSULTING, INC. AS FINANCIAL ADVISOR, (B) DESIGNATE CHAD E.  
COBEN TO SERVE AS CHIEF RESTRUCTURING OFFICER, AND (C) PROVIDE  
ADDITIONAL PERSONNEL FOR THE DEBTORS EFFECTIVE AS OF THE  
PETITION DATE; AND (II) GRANTING RELATED RELIEF**

**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 debtors in possession in the above captioned cases (collectively, the “*Debtors*”) state the following in support of this application (this “*Application*”):

**RELIEF REQUESTED**

1. By this Application, and pursuant to sections 327(a), 328(a), and 1107 of title 11 of the United States Code (the “*Bankruptcy Code*”), rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), rules 2014-1 and 2016-1 of the Bankruptcy

<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.



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**”), the Debtors seek entry of an order (the “**Order**”), substantially in the form annexed hereto, (a) authorizing the Debtors to (i) employ and retain FTI Consulting, Inc. (“**FTI**”) as financial advisor and to provide the Debtors with a Chief Restructuring Officer (the “**CRO**”) as well as additional supportive staff to assist the CRO (“**Hourly Temporary Staff**”) and (ii) designate Chad E. Coben as the Debtors’ CRO (together with the Hourly Temporary Staff, collectively the “**FTI Professionals**”) pursuant to the terms of the engagement letter by and among the Debtors and FTI, dated as of December 18, 2024 (the “**Engagement Letter**”),<sup>2</sup> effective as of the Petition Date (as defined below) and (b) granting related relief.<sup>3</sup> In support of this Application, the Debtors rely upon the *Declaration of Chad E. Coben in Support of the Application of Debtors for Entry of an Order (I) Authorizing the Debtors to (A) Employ and Retain FTI Consulting, Inc. as Financial Advisor, (B) Designate Chad E. Coben to Serve as Chief Restructuring Officer, and (C) Provide Additional Personnel for the Debtors Effective as of the Petition Date; and (II) Granting Related Relief* (the “**Coben Declaration**”), a copy of which is attached hereto as **Exhibit A**.

### **JURISDICTION AND VENUE**

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

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<sup>2</sup> The Engagement Letter dated as of December 18, 2024 amends, restates, supersedes, and replaces that certain engagement agreement dated October 28, 2024 between FTI and the Debtors and all amendments and addenda thereto (the “**Initial Engagement Letter**”).

<sup>3</sup> A copy of the Engagement Letter is attached to the Coben Declaration (as defined below) as **Exhibit 1** and incorporated herein by reference. Further, capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Engagement Letter.

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

### **BACKGROUND**

4. On December 22, 2024, (the “*Petition Date*”), the Debtors filed voluntary petitions in this Court commencing cases for relief under chapter 11 of the Bankruptcy Code. 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 these chapter 11 cases.

5. 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*”), filed on the Petition Date, which is fully incorporated herein by reference.

6. On the Petition Date, the Court entered an order [Docket No. 36] pursuant to Bankruptcy Rule 1015(b) ordering joint administration of the chapter 11 cases for procedural purposes only.

### **FTI AND MR. COBEN’S QUALIFICATIONS**

7. The Debtors understand that FTI has a wealth of experience in providing interim management services and enjoys an excellent reputation for services it has rendered in large and complex chapter 11 cases on behalf of debtors throughout the United States.

8. FTI professionals have provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to these chapter 11 cases. FTI has provided financial and/or crisis management services in numerous large cases in this district. *See, e.g., In re Mobileum, Inc.*, Case No. 24-90414 (CML) (Bankr. S.D. Tex.

Aug. 26, 2024) [Docket No. 166]; *In re SmileDirectClub, Inc.*, Case No. 23-90786 (CML) (S.D. Tex. Nov. 29, 2023) [Docket No. 397]; *In re Diebold Holding Company, LLC*, Case No. 23-90602 (MI) (S.D. Tex. July 18, 2023) [Docket No. 267]; *In re National Cinemedia, LLC*, Case No. 23-90291 (MI) (S.D. Tex. June 6, 2023) [Docket No. 298]; *In re Serta Simmons Bedding, LLC*, Case No. 23-90020 (DRJ) (S.D. Tex. Mar. 6, 2023) [Docket No. 421]; *In re Cypress Environmental Partners, L.P.*, Case No. 22-90039 (MI) (S.D. Tex. July 12, 2022) [Docket No. 289]; *CEC Entertainment, Inc.*, Case No. 20-33163 (MI) (S.D. Tex. Aug. 14, 2020) [Docket No. 581]; and *Monitronics International, Inc.*, Case No. 19-33650 (DRJ) (S.D. Tex. Aug. 5, 2019) [Docket No. 182].

9. In addition, Chad E. Coben, a Senior Managing Director at FTI and the proposed CRO for the Debtors, has more than thirty (30) years of experience in corporate finance, restructuring, and serving in executive management roles, including in providing financial advisory and interim and crisis management services to debtors and creditors in support of in- and out-of-court restructurings. Mr. Coben's relevant experience includes working on numerous complex restructurings, including, but not limited to, CEC Entertainment Inc., Monitronics International Inc., Sundance Energy, GTT Communications, Borden Dairy Holdings, LLC, wine.com, CPXi, LodgeNet Interactive, Inc., Broadstripe, LLC, and PacWest Telecomm, Inc. Further, having worked on Debtors' case since May 2024, Mr. Coben also has developed an in-depth understanding of the Debtors' financial history, business operations, and the industry in which the Debtors operate. Accordingly, Mr. Coben has significant relevant experience regarding the Debtors that will assist him in providing effective and efficient services in these chapter 11 cases.

10. The FTI Professionals who will work on this matter have substantial expertise in the areas discussed herein and, if approved, will provide services to the Debtors in accordance with the Engagement Letter and applicable orders of the Court. The FTI Professionals will work closely with the Debtors' management and professionals throughout the reorganization process. By virtue of the expertise of its restructuring personnel, FTI is well-qualified to provide services to and represent the Debtors' interests in these chapter 11 cases.

11. The Debtors submit that the designation of Chad E. Coben as the CRO and the retention of FTI on the terms and conditions set forth herein are necessary and appropriate, in the best interests of the Debtors' estates, and all parties in interest, and should be granted in all respects.

#### **SERVICES TO BE RENDERED**

12. On May 13, 2024, FTI entered into that certain statement of work (the "***Statement of Work***") to provide financial advisory services to the Debtors in connection with potential chapter 11 cases. On October 28, 2024, FTI entered into the Initial Engagement Letter to assist the Debtors with these chapter 11 cases, which replaced the Statement of Work, and on December 18, 2024, FTI entered into the Engagement Letter, which amends, restates, supersedes and replaces the Initial Engagement Letter. Under the Engagement Letter, FTI agreed to provide financial advisory services to the Debtors and interim management services through the designation of Chad E. Coben as the Debtors' CRO, reporting directly to the Board of Directors of The Container Store Group, Inc. (the "***Board***"). Generally, the CRO and FTI will perform activities and services to assist the Debtors throughout the chapter 11 process. Working collaboratively with the Debtors' senior management team, chief executive officer, chief financial officer, and other professionals, Mr. Coben will assist the Debtors in evaluating and implementing strategic and tactical options through the restructuring process. In addition to the ordinary course duties of the CRO, FTI Professionals may provide the following services:

1. Restructuring Advisory Services

- Coordinate the activities of the Debtors' advisory team and advise the Debtors and Restructuring Committee on the restructuring;
- Assist the Debtors in preparing for and operating as a debtor in possession in a case under chapter 11 of title 11 of the United States Bankruptcy Code; .
- Manage the day-to-day activities of the restructuring;
- Support the Debtors, counsel and other professionals in restructuring negotiations and communications with the Debtors' Lenders and other stakeholders;
- Assist the Debtors and counsel in the preparation of any required financial disclosures and reporting requirements including, but not limited to, the preparation of schedules of assets and liabilities, statement of financial affairs, monthly operating reports or any other similar period reports, and any necessary or required financial disclosures in connection with any debtor in possession financing, disclosure statement and/or chapter 11 plan;
- Assist with claims reconciliation and objections;
- If needed, provide testimony supporting the Debtors' first day motions, petitions, plan of reorganization, and other as the circumstances warrant;
- Assist the Debtors with and participate in its initial debtor interview and the meeting of creditors, as needed; and
- Other chapter 11 related services as may be reasonably requested by the Debtors and counsel, and are customary in this type of engagement.

2. Financial Forecasting, Analysis and Related Support

- Work with Debtors' management in maintaining and refining and maintaining a 13-week cash flow forecast and prepare cash flow budget to actual variance analysis as needed, including;
- Continually review the Debtors' revolving credit facility including the borrowing base calculations, financial covenant calculations and compliance certificates;
- Work with management in the alignment of the cash flow forecast with current budget and longer-term business plan;
- Support management in maintaining a recurring reporting cadence update to the cash forecast and improve the cash flow forecast and liquidity planning process, as applicable;
- Maintain the Debtors' Debtor-In-Possession ("*DIP*") forecast and support the Debtors in presenting the forecast and handling inquiries related to the forecast with internal and external stakeholders; and
- Assist the Debtors in managing, tracking, and reporting DIP forecast post chapter 11 filing.
- Work with management in the development of the Debtors' multi-year business plan including the most recent operating performance, the current operating budget and the long-term forecast;
- Assist the Debtors in the preparation of the financial projections in support of the plan of reorganization;
- Assist the Debtors in the preparation of a liquidation analysis in support of the plan of reorganization;

- Review historical financial results, including trends in key operating metrics, revenue, gross profit, operating expenses, EBITDA and capital spending;
- Review trends in revenue and profitability by region, location (“four-wall”), vendor, product, and customer.
- Review the forward financial covenant calculations and expected compliance therewith;
- Support in-flight and/or planned cost and strategic initiatives (expected benefit, timing, and cost to achieve) and ensure alignment with financial model;
- Work with management in developing appropriate sensitivity analyses around the business plan and cash flow projections based on risk factors identified in diligence process;
- Develop and review presentation materials, financial analyses, management reports; operating reports and other information; and
- Support management, and the other advisors with analyses and information as may be required.

3. Communications Support

- Develop comprehensive communications strategy and materials across all major stakeholder audiences (including timeline of activities and responsibilities, messaging, Q&A, letters, talking points, etc.);
- Build media relations plan and conduct outreach proactively and reactively on behalf of or in concert with the Debtors;
- Lead training sessions for stakeholder-facing employees in the days leading up to a filing in order to equip them for messaging and communications rollout;
- Build and maintain digital assets, including dedicated restructuring microsite, social media posts, and infographics;
- If an in-court process is required, liaise with claims agent to ensure escalation protocols are clear, call center is equipped, and materials are aligned.

4. Other

- Perform other services that may be reasonably requested and are customary in this type of engagement.

13. In addition to the scope of work detailed above, FTI is available to assist in all aspects of a restructuring including the development or substantial update of the long-term business plan, should the Debtors request these services of FTI.

**NO DUPLICATION OF SERVICES**

14. FTI understands that the Debtors may retain additional professionals during the term of its engagement; FTI will work cooperatively with such professionals to integrate any

respective work conducted by the professionals on behalf of the Debtors. The services provided by Mr. Coben and FTI are intended to complement, not duplicate, the services to be rendered by any other professional retained in these chapter 11 cases. The Debtors and FTI are mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is no such duplication.

### **TERMS OF RETENTION**

15. FTI's decision to accept this engagement is conditioned upon its ability to be retained in accordance with its customary terms and conditions of employment, compensated for its services, and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices, as set forth in the Engagement Letter (the "*Fee and Expense Structure*").

16. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors may retain FTI on reasonable terms and conditions. The terms and conditions set forth in the Engagement Letter, which are similar to the terms and conditions FTI offers to similar clients for similar services, are reasonable.

17. For the services rendered by Mr. Coben, the Debtors' CRO, and FTI's Hourly Temporary Staff, FTI will seek compensation based on its current standard hourly rates, which, subject to periodic adjustments, are as follows:

Title	Hourly Rate
Senior Managing Directors	\$1,185 - \$1,525
Directors / Senior Directors / Managing Directors	\$890 - \$1,155
Consultants/Senior Consultants	\$485 - \$820
Administrative / Paraprofessionals	\$190 - \$385



18. FTI reviews and revises its billing rates periodically. FTI has agreed to provide ten (10) days' notice to the Debtors, the Office of the United States Trustee for the Southern District of Texas (the "*U.S. Trustee*"), and any statutory committee appointed in these chapter 11 cases before any increases in the hourly rates set forth in the Application or the Engagement Letter are charged to the Debtors.

19. Mr. Coben and FTI's Hourly Temporary Staff will maintain records in support of any fees in one-tenth (0.10) of an hour increments. Records will be arranged by category and nature of the services rendered and will include reasonably detailed descriptions of those services provided on behalf of the Debtors. FTI's applications for compensation of fees and reimbursement of expenses will be paid by the Debtors pursuant to the terms of the Engagement Letter and any procedures established by this Court.

20. To the extent FTI uses the services of independent contractors (the "*Contractors*") in these chapter 11 cases, FTI shall (a) pass through the cost of such Contractors to the Debtors at the same rate that FTI pays the Contractors, (b) seek reimbursement for actual costs only, (c) ensure that the Contractors are subject to the same conflict checks as required for FTI, and (d) file with the Court such disclosures required by Bankruptcy Rule 2014.

21. To the extent FTI requires the services of its international divisions or personnel from specialized practices, the standard hourly rates for that international division or specialized practice will apply.

22. In addition to compensation for professional services rendered by FTI Professionals, FTI will seek reimbursement for reasonable, necessary, and documented out-of-pocket expenses incurred in connection with these chapter 11 cases, including transportation costs,

lodging, meals, postage, vendor charges, delivery services, and other expenses incurred in providing professional services.

23. The Debtors understand that FTI intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases consistent with the Fee and Expense Structure, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, including sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures and orders of this Court. The U.S. Trustee will retain the right to object to the compensation to be paid to FTI pursuant to the Engagement Letter based on the reasonableness standard provided for in section 330 of the Bankruptcy Code.

24. To the best of the Debtors' knowledge, there is no agreement or understanding between FTI and any nonaffiliated person or entity for sharing compensation received, or to be received, for services rendered in connection with these chapter 11 cases. The Fee and Expense Structure is consistent with, and typical of compensation arrangements entered into by, FTI and other comparable firms that render similar services under similar circumstances. The Debtors believe that the Fee and Expense Structure is reasonable, market-based, and designed to compensate FTI fairly for its work and to cover fixed and routine overhead expenses.

25. Thus, the Debtors submit that the Fee and Expense Structure is fair and reasonable under the standards set forth in section 328(a) of the Bankruptcy Code.

26. Pursuant to the Engagement Letter, the Debtors paid \$350,000 to FTI, which FTI holds "on account" to be applied to FTI's professional fees, charges, and disbursements (including estimates of the foregoing) for the term of the Engagement Letter (the "*Cash on Account*"). According to FTI's books and records, during the ninety (90) days before the Petition Date, the

Debtors paid FTI \$4,683,460.35 in the aggregate for professional services performed and expenses incurred, including the Cash on Account and advanced payments. The Debtors do not owe FTI any sums for prepetition services.

### **FTI'S DISINTERESTEDNESS**

27. To the best of the Debtors' knowledge, information, and belief, and except to the extent disclosed herein and in the Coben Declaration, FTI (a) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, (b) has no connection with the Debtors, their creditors, or other parties in interest, or the attorneys or accountants of the foregoing, or the U.S. Trustee or any person employed by the U.S. Trustee; and (c) does not hold any interest adverse to the Debtors' estates.

28. As set forth in further detail in the Coben Declaration, FTI has certain connections with creditors, equity security holders, and other parties in interest in these chapter 11 cases. All of these matters, however, are unrelated to these chapter 11 cases. FTI does not believe that any of these matters represent an interest materially adverse to the Debtors' estates or otherwise create a conflict of interest regarding the Debtors or these chapter 11 cases.

29. To the extent that any new relevant facts or relationships bearing on the matters described herein during the period of FTI's retention are discovered or arise, FTI will file a supplemental declaration pursuant to Bankruptcy Rule 2014.

### **INDEMNIFICATION**

30. The Engagement Letter contains standard indemnification language with respect to FTI's services including an agreement by the Debtors to indemnify FTI and its affiliates, partners, directors, officers, employees, and agents, as well as Mr. Coben (each an "*FTI Party*") from and against all claims, liabilities, losses, expenses, and damages arising out of or in connection with

the engagement of FTI that is the subject of the Engagement Letter, except to the extent caused by gross negligence, willful misconduct, bad faith, or fraud of any FTI Party.

31. The indemnification provisions contained in the Engagement Letter (the “*Indemnification Provisions*”) are customary and reasonable for FTI and comparable firms providing financial advisory services. The terms and conditions of the Indemnification Provisions were negotiated by the Debtors and FTI at arm’s-length and in good faith. The Indemnification Provisions, viewed in conjunction with the other terms of FTI’s proposed retention, are reasonable and in the best interest of the Debtors, their estates, and creditors in light of the fact that the Debtors require FTI’s services to successfully reorganize.

32. Notwithstanding the foregoing, FTI understands that the Indemnification Provisions shall apply only to FTI employees not serving in executive officer positions and that the indemnification of any persons serving as executive officers shall be on the same terms as provided to the Debtors’ other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors’ directors and officers insurance policy. The indemnification terms herein supersede and replace any provision of the Engagement Letter related to the indemnification of any executive officers, including the applicable provisions of Section 6 of the Standard Terms and Conditions of the Engagement Letter.

33. The Debtors request that, with respect to FTI and any persons not serving in executive officer positions, the Court approve the Indemnification Provisions, subject during the pendency of these chapter 11 cases to the following modifications:

- a. Subject to the provisions of subparagraphs (b) and (c) below, and except with respect to any officers provided by FTI to the Debtors, the Debtors are authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with the services to be provided by FTI as specified in the Application, but not for any claim arising from, related to, or in connection with FTI’s performance of any other services other than those in

connection with the engagement, unless such services and indemnification therefor are approved by the Court; and

- b. The Debtors shall not have any obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's gross negligence, willful misconduct, bad faith, or fraud, unless the Court determines that indemnification would be permissible pursuant to applicable law, or (ii) settled prior to a judicial determination as to FTI's gross negligence, willful misconduct, bad faith, or fraud, but determined by the Court, after notice and a hearing, to be a claim or expense for which FTI is not entitled to receive indemnity; and
- c. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under the Application, including, without limitation, the advancement of defense costs, FTI must file an application in the Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by the Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify FTI. All parties in interest shall retain the right to object to any demand by FTI for indemnification.

#### **BASIS FOR RELIEF**

34. In consideration of the size and complexity of their businesses, the Debtors seek to engage FTI to provide Mr. Coben to serve as the Debtors' CRO and to provide the FTI Hourly Temporary Staff, effective as of the Petition Date, under section 327(a) of the Bankruptcy Code, which provides that a debtor is authorized to employ professional persons "that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the [Debtor] in carrying out the [Debtor's] duties under this title." 11 U.S.C. § 327(a). Section 1107(b) of the Bankruptcy Code elaborates upon sections 101(14) and 327(a) of the Bankruptcy Code in cases under chapter 11 of the Bankruptcy Code and provides that "a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession

solely because of such person's employment by or representation of the debtor before the commencement of the case.”

35. The Debtors seek approval of the Fee and Expense Structure and the Engagement Letter pursuant to section 328(a) of the Bankruptcy Code, which provides, in relevant part, that the Debtors “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Section 328 of the Bankruptcy Code permits the compensation of professionals, including consultants, on flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in *In re Nat’l Gypsum Co.*, 123 F.3d 861, 862 (5th Cir. 1997):

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

123 F.3d at 862 (footnote omitted).

36. Bankruptcy Rule 2014 requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other Party-in-Interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

37. The Fee and Expense Structure in the Engagement Letter sets forth reasonable terms and conditions of employment and should be approved under section 328(a) of the Bankruptcy Code. The Fee and Expense Structure adequately reflects (a) the nature of the services to be provided by FTI and (b) fee and expense structures and indemnification provisions typically utilized by FTI and other leading financial advisory and consulting firms. In addition, FTI is “disinterested” and all of its fees and expenses are subject to approval of the Court in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and further orders of the Court.

38. The retention of FTI and the services of Mr. Coben as the CRO are in the best interests of the Debtors and their estates and is a sound exercise of the Debtors’ business judgment. As set forth above, Mr. Coben has extensive experience working with many companies undertaking restructuring efforts, and the FTI Professionals are well-qualified and equipped to assist the Debtors. In providing prepetition services to the Debtors, FTI gained experience, expertise, and specifically relevant knowledge regarding the Debtors’ businesses that will assist it in providing effective and efficient services in these chapter 11 cases. Accordingly, the retention of FTI on the terms set forth herein and in the Engagement Letter is in the best interests of all parties in interest in these chapter 11 cases.

39. This Application is filed within thirty (30) days of the Petition Date and, pursuant to Bankruptcy Local Rule 2014-1 and paragraph 47 of the Complex Case Procedures, the Application is deemed contemporaneous with the Petition Date and, therefore, entitled to relief effective as of the Petition Date. *See* Bankr. L. R. 2014-1(b)(1) (“If an application for approval of the employment of a professional is made within 30 days of the commencement of that

professional's provision of services, it is deemed contemporaneous."); Complex Case Procedures ¶ 47.

**NOTICE**

40. Notice of this Application will be given to: (a) the U.S. Trustee; (b) counsel to the DIP Agent; (c) counsel to the Ad Hoc Group; (d) counsel to the Term Loan Agent; (e) counsel to the Prepetition ABL Agent; (f) the creditors listed on the Debtors' consolidated list of thirty (30) creditors holding the largest unsecured claims; (g) the United States Attorney for the Southern District of Texas; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the state attorneys general for states in which the Debtors conduct business; and (k) 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.

*[Remainder of page intentionally left blank]*



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

Signed: January 3, 2025

Respectfully Submitted,

/s/ Tasha Grinnell

Tasha Grinnell  
Chief Legal Officer  
The Container Store Group, Inc

**CERTIFICATE OF SERVICE**

I certify that on January 3, 2025, 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*  
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Timothy A. ("Tad") Davidson II

**Exhibit A**

**Coben Declaration**

**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., <i>et al.</i> ,	:	Case No. 24-90627 (ARP)
	:	
Debtors. <sup>1</sup>	:	(Jointly Administered)
	:	
	x	

**DECLARATION OF CHAD E. COBEN  
IN SUPPORT OF THE APPLICATION OF DEBTORS FOR  
ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO (A) EMPLOY  
AND RETAIN FTI CONSULTING, INC. AS FINANCIAL ADVISOR, (B) DESIGNATE  
CHAD E. COBEN TO SERVE AS CHIEF RESTRUCTURING OFFICER,  
AND (C) PROVIDE ADDITIONAL PERSONNEL FOR DEBTORS EFFECTIVE  
AS OF THE PETITION DATE; AND (II) GRANTING RELATED RELIEF**

Pursuant to 28 U.S.C. § 1746, Chad E. Coben declares as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc. (“*FTI*”), which has a place of business at 909 Third Avenue, New York, New York 10022, among other locations.

2. I submit this declaration on behalf of FTI in support of the *Application of Debtors for Entry of an Order (I) Authorizing the Debtors to (A) Employ and Retain FTI Consulting, Inc., as Financial Advisor, (B) Designate Chad E. Coben as Chief Restructuring Officer, and (C) Provide Additional Personnel for Debtors Effective as of the Petition Date; and (II) Granting Related Relief* (the “*Application*”).<sup>2</sup> Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

<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 otherwise defined herein shall have the meanings ascribed to them in the Application.

**FTI's Qualifications and Proposed Retention**

3. FTI has a wealth of experience in providing interim management services and enjoys an excellent reputation for services it has rendered in large and complex chapter 11 cases on behalf of debtors throughout the United States.

4. FTI professionals have provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to these chapter 11 cases. FTI has provided financial and/or crisis management services in numerous large cases in this district. *See, e.g., In re Mobileum, Inc.*, Case No. 24-90414 (CML) (Bankr. S.D. Tex. Aug. 26, 2024) [Docket No. 166]; *In re SmileDirectClub, Inc.*, Case No. 23-90786 (CML) (S.D. Tex. Nov. 29, 2023) [Docket No. 397]; *In re Diebold Holding Company, LLC*, Case No. 23-90602 (MI) (S.D. Tex. July 18, 2023) [Docket No. 267]; *In re National Cinemedia, LLC*, Case No. 23-90291 (MI) (S.D. Tex. June 6, 2023) [Docket No. 298]; *In re Serta Simmons Bedding, LLC*, Case No. 23-90020 (DRJ) (S.D. Tex. Mar. 6, 2023) [Docket No. 421]; *In re Cypress Environmental Partners, L.P.*, Case No. 22-90039 (MI) (S.D. Tex. July 12, 2022) [Docket No. 289]; *CEC Entertainment, Inc.*, Case No. 20-33163 (MI) (S.D. Tex. Aug. 14, 2020) [Docket No. 581]; and *Monitronics International, Inc.*, Case No. 19-33650 (DRJ) (S.D. Tex. Aug. 5, 2019) [Docket No. 182].

5. I will act as the CRO for the Debtors. I am a Senior Managing Director at FTI and have more than thirty (30) years of experience in corporate finance, restructuring, and serving in executive management roles, including in providing financial advisory and interim and crisis management services to debtors and creditors in support of in- and out-of-court restructurings. My experience includes working on numerous complex restructurings, including, but not limited to, CEC Entertainment Inc., Monitronics International Inc., Sundance Energy, GTT Communications, Borden Dairy Holdings, LLC, wine.com, CPXi, LodgeNet Interactive, Inc., Broadstripe, LLC, and

PacWest Telecomm, Inc. Having worked with the Debtors since May 2024, I also have developed an in-depth understanding of the Debtors' financial history, business operations, and the industry in which the Debtors operate. Accordingly, I have significant relevant experience regarding the Debtors that will assist me in providing effective and efficient services in these chapter 11 cases.

9. The FTI Professionals have substantial expertise in the areas discussed above, and, if approved, will provide services to the Debtors in accordance with the Engagement Letter and applicable orders of the Court. The FTI Professionals will work closely with the Debtors' management and professionals throughout the reorganization process. By virtue of the expertise of its restructuring personnel, FTI is well qualified to provide services to and represent the Debtors' interests in these chapter 11 cases.

10. On May 13, 2024, FTI entered into that certain statement of work (the "**Statement of Work**") to provide financial advisory services to the Debtors in connection with potential chapter 11 cases. On October 28, 2024, FTI entered into the Initial Engagement Letter to assist the Debtors with these chapter 11 cases, which replaced the Statement of Work, and on December 18, 2024, FTI entered into the Engagement Letter, which amends, restates, supersedes and replaces the Initial Engagement Letter. Under the Engagement Letter, FTI agreed to provide financial advisory services to the Debtors and interim management services through the designation of myself as the Debtors' CRO, reporting directly to the Board of Directors of The Container Store Group, Inc. (the "**Board**"), as well as to provide additional personnel to assist the Debtors in their restructuring. Generally, the CRO and FTI shall perform activities and services to assist the Debtors throughout the chapter 11 process. Working collaboratively with the Debtors' senior management team, chief executive officer, chief financial officer, and other professionals, I will assist the Debtors in evaluating and implementing strategic and tactical options through the

restructuring process. Accordingly, FTI has experience, expertise, and specifically relevant knowledge regarding the Debtors that will assist it in providing effective and efficient services in these chapter 11 cases. The Debtors submit that the designation of myself as the CRO and the retention of FTI on the terms and conditions set forth herein are necessary and appropriate, in the best interests of the Debtors' estates, and all parties in interest, and should be granted in all respects.

### **Services to be Rendered**

11. As the Debtors' CRO, I will lead the engagement while reporting to the Debtors' Board, and FTI's Hourly Temporary Staff will report to me and perform additional services, as described below, to assist the Debtors throughout these chapter 11 cases. Working collaboratively with the senior management team, CEO, CFO, and the Debtors' other professionals, FTI and I will assist the Debtors with evaluating and implementing strategic and tactical options through the restructuring process. In addition to the ordinary course of duties of the CRO, the FTI Professionals may work with the Debtors to do the following, among others:

#### **1. Restructuring Advisory Services**

- Coordinate the activities of the Debtors' advisory team and advise the Debtors and Restructuring Committee on the restructuring;
- Assist the Debtors in preparing for and operating as a debtor in possession in a case under chapter 11 of title 11 of the United States Bankruptcy Code; .
- Manage the day-to-day activities of the restructuring;
- Support the Debtors, counsel and other professionals in restructuring negotiations and communications with the Debtors' Lenders and other stakeholders;
- Assist the Debtors and counsel in the preparation of any required financial disclosures and reporting requirements including, but not limited to, the preparation of schedules of assets and liabilities, statement of financial affairs, monthly operating reports or any other similar period reports, and any necessary or required financial disclosures in connection with any debtor in possession financing, disclosure statement and/or chapter 11 plan;
- Assist with claims reconciliation and objections;
- If needed, provide testimony supporting the Debtors' first day motions, petitions, plan of reorganization, and other as the circumstances warrant;
- Assist the Debtors with and participate in its initial debtor interview and the

- meeting of creditors, as needed; and
- Other chapter 11 related services as may be reasonably requested by the Debtors and counsel, and are customary in this type of engagement.

2. Financial Forecasting, Analysis and Related Support

- Work with Debtors' management in maintaining and refining and maintaining a 13-week cash flow forecast and prepare cash flow budget to actual variance analysis as needed, including;
- Continually review the Debtors' revolving credit facility including the borrowing base calculations, financial covenant calculations and compliance certificates;
- Work with management in the alignment of the cash flow forecast with current budget and longer-term business plan;
- Support management in maintaining a recurring reporting cadence update to the cash forecast and improve the cash flow forecast and liquidity planning process, as applicable;
- Maintain the Debtors' Debtor-In-Possession ("DIP") forecast and support the Debtors in presenting the forecast and handling inquiries related to the forecast with internal and external stakeholders; and
- Assist the Debtors in managing, tracking, and reporting DIP forecast post chapter 11 filing.
- Work with management in the development of the Debtors' multi-year business plan including the most recent operating performance, the current operating budget and the long-term forecast;
- Assist the Debtors in the preparation of the financial projections in support of the plan of reorganization;
- Assist the Debtors in the preparation of a liquidation analysis in support of the plan of reorganization;
- Review historical financial results, including trends in key operating metrics, revenue, gross profit, operating expenses, EBITDA and capital spending;
- Review trends in revenue and profitability by region, location ("four-wall"), vendor, product, and customer.
- Review the forward financial covenant calculations and expected compliance therewith;
- Support in-flight and/or planned cost and strategic initiatives (expected benefit, timing, and cost to achieve) and ensure alignment with financial model;
- Work with management in developing appropriate sensitivity analyses around the business plan and cash flow projections based on risk factors identified in diligence process;
- Develop and review presentation materials, financial analyses, management reports; operating reports and other information; and
- Support management, and the other advisors with analyses and information as may be required.

3. Communications Support

- Develop comprehensive communications strategy and materials across all major



stakeholder audiences (including timeline of activities and responsibilities, messaging, Q&A, letters, talking points, etc.);

- Build media relations plan and conduct outreach proactively and reactively on behalf of or in concert with the Debtors;
- Lead training sessions for stakeholder-facing employees in the days leading up to a filing in order to equip them for messaging and communications rollout;
- Build and maintain digital assets, including dedicated restructuring microsite, social media posts, and infographics;
- If an in-court process is required, liaise with claims agent to ensure escalation protocols are clear, call center is equipped, and materials are aligned.

4. Other

- Perform other services that may be reasonably requested and are customary in this type of engagement.

**No Duplication of Services**

12. FTI understands that the Debtors may retain additional professionals during the term of its engagement and will work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtors. The services provided by myself and FTI will complement, and not duplicate, the services to be rendered by any other professional retained in these chapter 11 cases. The Debtors and FTI are mindful of the need to avoid duplication of services and appropriate procedures will be implemented to ensure that there is no such duplication.

**Terms of Retention**

13. FTI's decision to accept this engagement is conditioned upon its ability to be retained in accordance with its customary terms and conditions of employment, compensated for its services, and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices, as set forth in the Engagement Letter (the "*Fee and Expense Structure*").

14. The terms and conditions set forth in the Engagement Letter, which are similar to the terms and conditions FTI offers to similar clients for similar services, are reasonable.

15. Payment for the services I perform as the Debtors' CRO and provided by FTI's Hourly Temporary Staff, will be based on FTI's current standard hourly rates, which, subject to periodic adjustments, are as follows:

Title	Hourly Rate
Senior Managing Directors	\$1,185 - \$1,525
Directors / Senior Directors / Managing Directors	\$890 - \$1,155
Consultants / Senior Consultants	\$485 - \$820
Administrative / Paraprofessionals	\$190 - \$385

17. FTI reviews and revises its billing rates periodically. FTI has agreed to provide ten (10) days' notice to the Debtors, the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases before any increases in the hourly rates set forth in the Application or the Engagement Letter are charged to the Debtors.

18. I, and FTI's Hourly Temporary Staff, will maintain records in support of any fees in one-tenth (0.10) of an hour increments. Records will be arranged by category and nature of the services rendered and will include reasonably detailed descriptions of those services provided on behalf of the Debtors. FTI's applications for compensation of fees and reimbursement of expenses will be paid by the Debtors pursuant to the terms of the Engagement Letter and any procedures established by this Court.

19. To the extent FTI uses the services of independent contractors (the "**Contractors**") in these chapter 11 cases, FTI will (a) pass through the cost of such Contractors to the Debtors at the same rate that FTI pays the Contractors, (b) seek reimbursement for actual costs only, (c) ensure that the Contractors are subject to the same conflict checks as required for FTI, and (d) file with the Court such disclosures required by Bankruptcy Rule 2014.

20. To the extent FTI requires the services of its international divisions or personnel from specialized practices, the standard hourly rates for that international division or specialized practice will apply.

21. In addition to compensation for professional services rendered by FTI Professionals, FTI will seek reimbursement for reasonable, necessary, and documented out-of-pocket expenses incurred in connection with these chapter 11 cases, including transportation costs, lodging, meals, postage, vendor charges, delivery services, and other expenses incurred in providing professional services.

22. FTI intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases consistent with the Fee and Expense Structure, subject to this Court's approval and in compliance with applicable provisions of the Bankruptcy Code, including sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures and orders of this Court.

23. To the best of my knowledge, there is no agreement or understanding between FTI and any nonaffiliated person or entity for sharing compensation received, or to be received, for services rendered in connection with these chapter 11 cases. The Fee and Expense Structure is consistent with, and typical of compensation arrangements entered into by, FTI and other comparable firms that render similar services under similar circumstances. For these reasons, I believe that the Fee and Expense Structure is fair and reasonable under the standards set forth in section 328(a) of the Bankruptcy Code.

24. Pursuant to the Engagement Letter, the Debtors paid \$350,000 to FTI, which FTI holds "on account" to be applied to FTI's professional fees, charges, and disbursements (including

estimates of the foregoing) for the term of the Engagement Letter (the “*Cash on Account*”). According to FTI’s books and records, during the ninety days before the Petition Date, the Debtors paid FTI \$4,683,460.35 in the aggregate for professional services performed and expenses incurred, including the Cash on Account and advanced payments. The Debtors do not owe FTI any sums for prepetition services.

### **Indemnification**

25. The Engagement Letter contains standard indemnification language with respect to FTI’s services, including an agreement by the Debtors to indemnify FTI and its affiliates, partners, directors, officers, employees and agents, as well as myself (each, an “*FTI Party*”) from and against all claims, liabilities, losses, expenses, and damages arising out of or in connection with the engagement of FTI that is the subject of the Engagement Letter, except to the extent caused by gross negligence, willful misconduct, bad faith or fraud of any FTI Party.

26. The indemnification provisions contained in the Engagement Letter (the “*Indemnification Provisions*”) are customary and reasonable for FTI and comparable firms providing financial advisory services. The terms and conditions of the Indemnification Provisions were negotiated by the Debtors and FTI at arm’s length and in good faith. The Indemnification Provisions, viewed in conjunction with the other terms of FTI’s proposed retention, are reasonable and in the best interests of the Debtors, their estates, and creditors in light of the fact that the Debtors require FTI’s services to successfully reorganize.

27. Notwithstanding the foregoing, I understand that the Indemnification Provisions shall apply only to such FTI employees not serving in executive officer positions and that the indemnification of any persons serving as executive officers shall be on the same terms as provided to the Debtors’ other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors’ directors and officers insurance policy. The

indemnification terms herein supersede and replace any provision of the Engagement Letter related to the indemnification of any executive officers, including the applicable provisions of Section 6 of the Standard Terms and Conditions of the Engagement Letter.

28. I believe that with respect to any persons not serving in executive officer positions, FTI requests that this Court approve the Indemnification Provisions as set forth in the Engagement Letter, subject during the pendency of the Debtors' chapter 11 cases to the following modifications:

- a. Subject to the provisions of subparagraphs (b) and (c) below and except with respect to any officers provided by FTI to the Debtors, the Debtors are authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with the services to be provided by FTI as specified in the Application, but not for any claim arising from, related to, or in connection with FTI's performance of any other services other than those in connection with the engagement, unless such services and indemnification therefor are approved by the Court; and
- b. The Debtors shall not have any obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's gross negligence, willful misconduct, bad faith, or fraud, unless the Court determines that indemnification would be permissible pursuant to applicable law, or (ii) settled prior to a judicial determination as to FTI's gross negligence, willful misconduct, bad faith, or fraud, but determined by the Court, after notice and a hearing, to be a claim or expense for which FTI is not entitled to receive indemnity; and
- c. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under the Application, including, without limitation, the advancement of defense costs, FTI must file an application in the Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by the Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify FTI. All parties in interest shall retain the right to object to any demand by FTI for indemnification.

29. I believe that the Indemnification Provisions contained in the Engagement Letter (as modified in the proposed order) viewed in conjunction with the other terms of FTI's proposed retention, are reasonable and in the best interest of the Debtors, their estates, and creditors in light of the fact that the Debtors require FTI's services to successfully reorganize. For these reasons, I ask the Court to approve the Indemnification Provisions as modified in the proposed order.

**FTI's Disinterestedness**

30. In connection with the preparation of this Declaration, FTI conducted a review of its contacts with the Debtors, their affiliates, and certain entities holding large claims against or interests in the Debtors that were made reasonably known to FTI. A listing of the parties reviewed is reflected on **Schedule 1** to this Declaration. FTI's review, completed under my supervision, consisted of a query of the Schedule 1 parties within an internal computer database<sup>3</sup> containing names of individuals and entities that are present or recent former clients of FTI. A summary of such relationships that FTI identified during this process is set forth on **Schedule 2** to this Declaration.

31. Based on the results of its review, FTI does not have a relationship with any of the parties on **Schedule 1** in matters related to the Debtors or these chapter 11 cases. FTI has provided and could reasonably be expected to continue to provide services unrelated to these chapter 11 cases for the various entities shown on **Schedule 2**. FTI's assistance to these parties has been related to providing various financial restructuring, litigation support, technology, strategic communications, and economic consulting services. To the best of my knowledge and except as otherwise disclosed herein, no services have been provided to these parties in interest that involve

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<sup>3</sup> For the avoidance of doubt, FTI's computer database covers FTI Consulting, Inc. and its wholly-owned subsidiaries globally.

their rights in these chapter 11 cases, nor does FTI's involvement in these chapter 11 cases compromise its ability to continue such consulting services.

32. In addition to the disclosures set forth on **Schedule 2**, FTI discloses the following

- Prior to the Petition Date, FTI's strategic communications segment provided communications support services relating to the Debtors ESG sustainability reporting. FTI is not owed any amounts relating to this engagement.
- Between September 2023 and May 2024, FTI's technology segment was engaged by the Debtors to provide a Video Privacy Protection Act analysis in connection with litigation captioned: *Hernandez v. The Container Store, Inc.*, Case No. 2:23-cv-05067 (C.D. Cal.). This matter is closed, and FTI is not owed any amounts relating to this engagement.
- American Express Travel Related Services Company, Inc. and AMEX Travel Related Services Company Inc. (together, "***AMEX Travel***") are listed as potentially interested parties on Schedule 1. Upon information and belief, AMEX Travel are affiliates of the American Express Company. Laureen E. Seeger, a member of the board of directors of FTI Consulting, Inc., is currently chief legal officer of the American Express Company. To the best of my knowledge, Ms. Seeger does not have any professional involvement in this matter in any capacity.

33. As part of its diverse practices, FTI appears in numerous cases, proceedings, and transactions that involve many different professionals, including attorneys, accountants, and financial consultants, who may represent claimants and parties in interest in these chapter 11 cases. Also, FTI has performed in the past, and may perform in the future, advisory consulting services for various attorneys and law firms, and has been represented by several attorneys and law firms, some of whom may be involved in these proceedings. In addition, FTI has in the past, may currently, and will likely in the future be working with or against other professionals involved in these chapter 11 cases in matters unrelated to the Debtors and these cases. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these relationships create interests adverse to the Debtors in matters upon which FTI is to be employed and none are in connection with the Debtors' chapter 11 cases.

34. FTI is not a “creditor” of any of the Debtors within the meaning of section 101(1) of the Bankruptcy Code. Further, neither I, FTI, nor any other of the FTI Professionals serving the Debtors, to the best of my knowledge, (a) is a creditor, equity security holder, or insider of any of the Debtors, (b) except with respect to the prepetition officer role described herein, is or has been within two years before the Petition Date, a director, officer, or employee of any of the Debtors, or (c) has any interest materially adverse to the interest of the Debtors’ estates or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. As such, to the best of my knowledge and based upon the results of the relationship search described above and disclosed herein, FTI (y) is a “disinterested person” as defined in section 101(14) of the Bankruptcy Code and (z) neither holds nor represents an interest adverse to the Debtors or their estates. Therefore, FTI believes that it is eligible to represent the Debtors under section 327(a) of the Bankruptcy Code.

35. It is FTI’s policy and intent to update and expand its ongoing relationship search for additional parties in interest in an expedient manner. If any new material relevant facts or relationships are discovered or arise, FTI will file a supplemental declaration pursuant to Bankruptcy Rule 2014.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: January 3, 2025

**FTI CONSULTING, INC.**

*/s/ Chad E. Coben*

Chad E. Coben

Senior Managing Director



**Exhibit 1**

**Engagement Letter**



Chad Coben  
FTI Consulting, Inc.  
2001 Ross Ave Suite 650  
Dallas, TX 75201 United States  
T: +1 214.914.3500

PRIVATE & CONFIDENTIAL

December 18, 2024

The Container Store Group, Inc.

Jeff Miller  
Chief Financial Officer  
500 Freeport Pkwy  
Coppell, TX 75019

**Re: The Container Store Chief Restructuring Officer & Financial Advisory Services**

Dear Mr. Miller:

This letter confirms that we, FTI Consulting, Inc. (“FTI”), have been retained by you, The Container Store Group, Inc. (the “Client” or the “Company”), to provide to provide certain temporary employees to the Client for financial advisory services (the “Services”) in connection with the appointment of a Chief Restructuring Officer. This letter of engagement (the “Engagement Letter”) and the related Standard Terms and Conditions attached hereto as Exhibit “A” constitute the engagement contract (the “Engagement Contract”) pursuant to which the Services will be provided (the provision of such Services, the “Engagement”), effective upon approval by the Board of Directors of the Client through unanimous written consent. For the avoidance of doubt, this Engagement Contract completely supersedes and replaces all prior Engagement Contracts between FTI and Client, or between FTI and Latham & Watkins (the “Counsel”) on behalf of Client, in their entirety, and shall not become effective until the Board of Directors of the Client approves of the Engagement Contract through unanimous written consent.

**1. Temporary Officers, Hourly Temporary Employees and Services**

FTI will provide Chad Coben to serve as the Client’s Chief Restructuring Officer (the “CRO”) reporting to the Restructuring Committee appointed by the Board of Directors of the Client (the “Restructuring Committee”) in connection with the Engagement. The CRO, as well as any additional Hourly Temporary Staff, (as defined below), shall have such duties as the Restructuring Committee may from time to time determine, and shall at all times report to and be subject to supervision by the Restructuring Committee. Without limiting the foregoing, the CRO, as well as any Hourly Temporary Staff, shall work with other senior management of the Client, and other professionals, to provide the Services.

In addition to providing the CRO, FTI may also provide the Client with additional staff (the “Hourly Temporary Staff” and, together with the CRO, the “FTI Professionals”), subject to the terms and conditions of this Engagement Contract. The Hourly Temporary Staff may be assisted by or replaced by other FTI professionals reasonably satisfactory to the Client’s Board of Directors and/or Restructuring Committee, as required, who shall also become Hourly Temporary Staff for purposes hereof. The detail on the Services being provided by the CRO and Hourly Temporary Staff is set out on Exhibit “B”. FTI will keep the Restructuring Committee reasonably informed as to FTI’s staffing and will not add additional Hourly Temporary Staff to the Engagement without first consulting with the Client.

The Services may be performed by FTI or by any subsidiary or affiliate of FTI, as FTI shall determine. With Counsel's written consent (acting at the direction of Client), FTI may also provide Services through its or its subsidiaries' or affiliates' agents or independent contractors. References herein to FTI and its employees shall be deemed to apply also, unless the context shall otherwise indicate, to employees of each such subsidiary, affiliate, and to any approved agents or independent contractors and their employees. For purposes of this Engagement Contract, the term "affiliate" shall mean and include any entity that directly or indirectly controls, is controlled by, or is under common control with a party, for as long as such relationship remains in effect. The term "control" means the possession of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, through contract or otherwise.

If Client or any of Client's entities files a petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), FTI's provision of the CRO will be subject to approval of the bankruptcy court presiding over Client's chapter 11 case (the "Bankruptcy Court") and the services provided by the CRO shall be substantially similar as provided in this Agreement as modified by the retention order approved by the Bankruptcy Court. Client agrees, at Client's expense, to file an application (the "Application") to employ FTI as CRO effective as of the petition date pursuant to Bankruptcy Code section 363. Client agrees to file all required applications, including the Application, for the employment or retention of FTI at the earliest practical time.

As usual, our Engagement is to assist Counsel in its representation of the Company, and not the Company's directors, officers, employees or shareholders. We, however, anticipate that we may provide information or advice to directors, officers or employees in their corporate capacities over the course of the Engagement.

The Services do not include (i) audit, legal, tax, environmental, accounting, actuarial, employee benefits, or insurance advice or similar specialist and other professional services which are typically outsourced and which shall be obtained directly where required by the Client at Client's expense; or (ii) investment banking, valuation or securities analysis, or advising any party with respect to or representation of the Client in the purchase, sale or exchange of securities or representation of the Client in securities transactions. FTI is not a registered broker-dealer in any jurisdiction and will not offer advice or its opinion or any testimony on valuation or exchanges of securities or on any matter for which FTI is not appropriately licensed or accredited. An affiliate of FTI is a broker-dealer but is not being engaged by the Client to provide any investment banking or broker-dealer services. The Client agrees to supply office space, and office and support services to FTI as reasonably requested by FTI in connection with the performance of the Services.

## **2. Privileged and Confidential Work Product**

All work product that FTI prepares in connection with any Services performed hereunder shall be prepared at the direction of Counsel. Any reports, drafts, or work papers that FTI prepares in connection with any Services performed hereunder shall be construed as confidential attorney work product. To the extent possible, written reports, memoranda or status summaries that we prepare under this Engagement Contract will be maintained in accordance with our retention procedures and shall be prominently labeled "Privileged and Confidential." Except as may be required by law, regulation or valid judicial or administrative process, we will not disclose to anyone, without your permission, the content of any oral or written confidential communication received during the course of the Engagement or any information gained from the inspection or review of any records or documents provided by you, the Company, or its advisors that are identified as confidential. Without limiting the foregoing, FTI shall use reports, drafts, or work papers prepared in connection with the Engagement only in connection with the Services performed hereunder. Also without limiting the foregoing, FTI will not disclose to any other person or entity any

other information pertaining to the Company or any affiliate of the Company that is either non-public, confidential, or proprietary in nature, that it obtains or is given access to during the performance of the Services provided hereunder.

**3. Compensation to FTI**

Hourly Fees

Services rendered by the CRO and the Hourly Temporary Staff will be billed at their current hourly rate. Fees are payable in advance, may be billed as frequently as weekly and will be billed not less frequently than monthly.

Hourly Rates

The normal hourly billing rates for the CRO and the Hourly Temporary Staff professionals with the skills and experience needed for engagements of this kind, which are subject to periodic revision, are as follows:

**United States**

	<u>Per Hour (USD)</u>
Senior Managing Directors	\$1,185 – 1,525
Directors / Senior Directors / Managing Directors	890 – 1,155
Consultants/Senior Consultants	485 – 820
Administrative / Paraprofessionals	190 – 385

All payments will be due upon receipt of the invoice. For your information and use, FTI’s Taxpayer Identification Number is 52-1261113. If Client disputes any of the fees or expenses on a specific invoice, the Client shall notify FTI within thirty (30) days of receipt of the invoice of such a dispute. If Client fails to notify FTI within the thirty (30) day period, the Client shall have waived its right to dispute such invoice.

Nothing herein shall be construed as extending the due date of payments to be made by Client under this Engagement Contract. In addition to remedies available at law, FTI reserves the right to suspend further Services until payment is received on past-due invoices. It is FTI’s normal practice to be paid in full for all work performed to date prior to issuance of a report, deposition testimony and/or trial testimony. Client agrees to pay all court costs, attorney fees (whether or not contingent on collection from Client) and other expenses which may be associated with the collection of unpaid invoices. Should Client require FTI to submit invoices via an electronic billing service, any associated fees incurred for these electronic billing services shall be billed directly to the Client for reimbursement.

In addition to the fees outlined above, FTI will bill for direct expenses which are likely to be incurred on your behalf during this Engagement. Direct expenses include reasonable and customary out-of-pocket expenses which are billed directly to the Engagement such as internet access, telephone, overnight mail, messenger, travel, meals, accommodations and other expenses specifically related to this Engagement. Further, if FTI and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this matter, FTI will be compensated by you at its regular hourly rates and reimbursed for reasonable allocated and direct expenses (including counsel fees) with respect thereto. Client shall be responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Client hereunder.

**Cash on Account.** Client shall forward to FTI the amount of \$350,000, which funds FTI will hold “on account” to be applied to FTI’s professional fees, charges, and disbursements (including estimates of the foregoing) for the term of this Engagement Contract (the “Cash on Account”). To the extent the Cash on Account exceeds FTI’s fees, charges and disbursements after the completion of this Engagement Contract, FTI will refund any unused portion. Client agrees to increase or supplement the Cash on Account from time to time during the term of this Engagement Contract in such amounts as FTI reasonably determines are sufficient to ensure that FTI is not a pre-petition creditor in the event Client files a petition for relief under the Bankruptcy Code.

FTI will provide periodic invoices (not less frequently than monthly) to Client for Services performed in the previous invoice period plus any incidental services and other amounts approved in writing. All expenses will be billed at cost without markup. In certain circumstances, an invoice may be for estimated fees, charges, and disbursements through a date certain. Each invoice constitutes a request for an interim payment against the fee to be determined at the conclusion of FTI’s Services.

Upon transmittal of an invoice, FTI may immediately draw upon the Cash on Account (as replenished from time to time) in the amount of the invoice. **Client agrees that invoices are due upon receipt.** Client further agrees to wire the invoice amount to FTI promptly as replenishment of the Cash on Account (together with any supplemental amount to which FTI and the Client mutually agree), without prejudice to the Client’s right to advise FTI of any differences Client may have regarding such invoice set forth in the below paragraph. FTI has the right, at any time, to apply any Cash on Account (as it may be supplemented from time to time) to any outstanding invoice (including amounts billed prior to the date hereof), subject to (and without prejudice to) the Client’s opportunity to review FTI’s invoices.

Client shall make any objections to the invoice in writing to FTI within fifteen (15) business days of the receipt of the invoice. FTI shall have fifteen (15) business days of receipt of such an objection to send a (i) revised invoice, (ii) written response to the objection(s), or (iii) combination of (i) and (ii). Any reductions made to an invoice pursuant to this paragraph shall be credited to the Cash on Account and reflected on the next invoice sent by FTI. Notwithstanding anything to the contrary in this Engagement Contract, Client agrees that it will not reduce or delay any replenishments to the Cash on Account due to any objections Client may have to a particular invoice. If Client reduces or delays any replenishments to the Cash on Account, Client agrees that FTI may cease work immediately and without notice until it receives the full amount due. To the extent the Parties are unable to consensually resolve a dispute over an invoice, such disputes shall be resolved in accordance with the applicable dispute resolution provisions of this Engagement Contract.

If Client or any of the Client’s entities become a debtor in one or more cases under the Bankruptcy Code, some fees, charges, and disbursements (whether or not billed) incurred before the filing of bankruptcy petitions (voluntary or involuntary) might remain unpaid as of the date of the filing. The unused portion, if any, of the Cash on Account will be applied to any such unpaid pre-petition fees, charges and disbursements. Any requisite court permission will be obtained in advance. We will then hold any portion of the Cash on Account not otherwise properly applied for the payment of any such unpaid pre-filing fees, charges and disbursements (whether or not billed) as Cash on Account to be applied against the fee to be determined at the conclusion of FTI’s Services.

Post-petition fees, charges and disbursements will be due and payable immediately upon entry of an order

containing such court approval or at such time thereafter as instructed by the Bankruptcy Court. The Client understands that while the arrangement in this paragraph may be altered in whole or in part by the Bankruptcy Court, Client shall nevertheless remain liable for payment of court approved post-petition fees and expenses which are afforded administrative priority under Bankruptcy Code section 503(b)(1). Bankruptcy Code section 1129(a)(9)(A) provides that a plan cannot be confirmed unless these priority claims are paid in full in cash on the effective date of any plan (unless the holders of such claims agree to different treatment). It is agreed and understood that the unused portion, if any, of the Cash on Account (as may be supplemented from time to time) shall be held by us and applied against the fee to be determined at the conclusion of FTI's Services.

FTI acknowledges that Counsel is not providing any indemnity or any other similar type of undertaking to FTI or otherwise for FTI's benefit in connection with this Engagement. FTI forever releases and forever discharges Counsel and its successors, assigns, agents, personal representatives, officers, partners, members and employees from all causes of action, suits, damages, claims, and demands for indemnification or reimbursement arising out of or in respect of this Engagement. Notwithstanding anything in this Agreement or any other agreement to the contrary, in no event shall Counsel or any of its respective affiliates, partners, employees, agents or representatives be liable in any capacity, whether directly, indirectly or otherwise, for any invoices, expenses, charges, disbursements, fees, costs, lost profits, damages or other liabilities whatsoever in connection with this Engagement. For the avoidance of doubt, the parties acknowledge and agree that under no circumstances will Counsel be required to expend, risk or advance any of its own funds to satisfy the fees or expenses hereunder or otherwise. The parties hereto acknowledge their intention that attorney-client privilege between Counsel and FTI shall exist notwithstanding the fact that the Company is billed directly for services under this Agreement.

Additional Provisions Regarding Fees:

- a) FTI may stop work or terminate the Engagement Contract immediately upon the giving of written notice to the Client (i) if payments are not made in accordance with this Engagement Contract, (ii) if the Application is not approved by the Bankruptcy Court, (iii) if the chapter 11 case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code, or (iv) if a chapter 11 Trustee or other responsible person is appointed.
- b) If, and only if, local Bankruptcy rules or the order approving the Application so require, FTI shall file with and serve on creditors entitled to notice thereof, a statement of staffing, professional services, compensation or expenses, on a quarterly basis, or as the Bankruptcy Court or rules may direct, and creditors and other parties in interest shall have an opportunity to object thereto and request a hearing thereon. (ii) If FTI is employed post-petition as a "professional person" pursuant to Bankruptcy Code section 327, Bankruptcy Court approval will generally be required to pay FTI's fees and expenses for post-petition Services. In most cases of this size and complexity, on request of a party in interest, bankruptcy courts permit the payment of interim fees during the case. Client agrees that in this situation it will, at the Client's expense, request the Bankruptcy Court to establish a procedure for the payment of interim fees during the case that would permit payment of interim fees on a monthly basis. If the Bankruptcy Court approves such a procedure, we will submit invoices on account against our final fee. These interim invoices will be based on such percentage as the Bankruptcy Court allows of our internal time charges and costs and expenses for the work performed during the relevant period and will constitute a request for an interim payment against the final fee to be determined at the conclusion of FTI's Services.
- c) In the event FTI is retained and employed under Bankruptcy Code section 327, post-petition fees, charges and disbursements will be due and payable immediately upon entry of an order

containing such court approval or at such time thereafter as instructed by the Bankruptcy Court. Client understands that while the arrangement in this paragraph may be altered in whole or in part by the Bankruptcy Court, Client shall nevertheless remain liable for payment of court approved post-petition fees and expenses, which are afforded administrative priority under Bankruptcy Code section 503(b)(1). Bankruptcy Code section 1129(a)(9)(A) provides that a plan cannot be confirmed unless these priority claims are paid in full in cash on the effective date of any plan (unless the holders of such claims agree to different treatment). It is agreed and understood that the unused portion, if any, of the Cash on Account (as may be supplemented from time to time) shall be held by us and applied against the final fee application filed and approved by the Bankruptcy Court.

- d) Client agrees that FTI is not an employee of the Client and the FTI employees and independent FTI contractors who perform the Services are not employees of the Client, and they shall not receive a W-2 from the Client for any fees earned under this engagement, and such fees are not subject to any form of withholding by the Client. The Client shall provide FTI a standard form 1099 on request for fees earned under this Engagement.
- e) Copies of Invoices shall be sent by facsimile or email as follows:

To the Client at:  
The Container Store, Inc.  
Jeff Miller, Chief Financial Officer  
500 Freeport Pkwy  
Coppell, TX 75019

Attention: Jeff Miller

#### **4. Availability of Information**

In connection with FTI's activities on the Client's behalf, the Client agrees (i) to furnish FTI with all information and data concerning the business and operations of the Client which FTI reasonably requests, and (ii) to provide FTI with reasonable access to the Client's officers, directors, partners, employees, retained consultants, independent accountants, and legal counsel. FTI shall not be responsible for the truth or accuracy of materials and information received by FTI under this Engagement Contract.

#### **5. Terms and Conditions**

The attached Standard Terms and Conditions set forth the duties of each party with respect to the Services. Further, this Engagement Letter and the Standard Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations, and shall supersede all previous proposals, pre-engagement confidentiality agreements, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services.

#### **6. Conflicts of Interest**

FTI has undertaken a limited review of its records to determine FTI's professional relationships with the Client and this Engagement. From the results of such review, we were not made aware of any conflicts of interest or relationships that we believe would preclude us from performing the Services. However, as you know, FTI is a large consulting firm with numerous offices globally. FTI is regularly engaged by new clients, which may include one or more parties with interests potentially adverse to the Client. The FTI professionals providing Services hereunder will not accept an engagement that directly conflicts with this Engagement without Client's prior written consent.

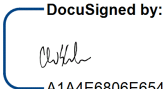
**7. Acknowledgement and Acceptance**

Please acknowledge your acceptance of the terms of this Engagement Contract by signing the confirmation below and returning a copy to us at the above address.

If you have any questions regarding this Engagement Letter or the attached Standard Terms and Conditions, please do not hesitate to contact Chad Coben at (214) 914-3500.

Very truly yours,

FTI CONSULTING, INC.

By:  DocuSigned by:  
Name: Chad E. Coben  
Title: Senior Managing Director



Confirmation of Terms of Engagement

**We agree to engage FTI Consulting, Inc. upon the terms of this Engagement Contract, which includes the attached Standard Terms and Conditions.**

The Container Store, Inc.

By: Signed by:  
*Jeff Miller*  
 \_\_\_\_\_  
 Jeff Miller  
 Chief Financial Officer

Date: \_\_\_\_\_

<b>Contact Information of the person designated to receive &amp; approve invoices:</b>	
Name:	Jeff Miller
Address:	500 Freeport Parkway, Coppell, TX 75019
Phone:	
Email:	jamiller@containerstore.com
AP Invoice Email (if applicable):	
<b>Invoice Processing Information</b>	
Please list any information required on the Invoice (i.e., Purchase Order #, Hours by Resource, Fees broken down by workstream, etc.)	
Require invoice submission via electronic billing system?	
If yes, please provide the necessary electronic billing system information (i.e., e-bill internet address):	

## EXHIBIT A

### FTI CONSULTING, INC.

#### STANDARD TERMS AND CONDITIONS

The following are the Standard Terms and Conditions on which we will provide the Services to you set forth within the attached letter of engagement with the The Container Store, Inc. dated as of December 18, 2024 (the “Engagement Letter”). The Engagement Letter and the Standard Terms and Conditions (collectively the “Engagement Contract”) form the entire agreement between us relating to the Services to the exclusion of any other express or implied terms, including any conditions, warranties and representations, and shall supersede all previous proposals, pre-engagement confidentiality agreements, letters of engagement, undertakings, agreements, understandings, correspondence and other communications, whether written or oral, regarding the Services. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract. Capitalized terms used but not defined shall have the meanings assigned in the Engagement Letter to which these Standard Terms and Conditions are attached.

#### 1. Reports and Advice

1.1 **Use and purpose of advice and reports** — Any advice given or report issued by FTI is provided solely for Client’s use and benefit and only in connection with the purpose for which the Services are rendered. Unless required by law, Client shall not provide any advice given or report issued by FTI to any third party, or refer to FTI or the Services, without FTI’s prior written consent, which shall be conditioned on the execution of a third party release letter in the form provided by FTI and attached hereto as Schedule A. Notwithstanding the foregoing, the Client may disclose any advice given or report issued by FTI to its affiliates and its and their respective directors, officers, employees, legal counsel, accountants and auditors who have a need to know, and who are bound by written agreements and/or rules of professional conduct/ethics to maintain confidentiality. In no event, regardless of whether consent has been provided, shall FTI assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

#### 2. Information and Assistance

2.1 **Provision of information and assistance** – FTI’s performance of the Services is dependent upon Client providing FTI with such information and assistance as FTI may reasonably require from time to time. FTI shall rely on such information without independent verification. If FTI’s performance of its obligations under this Engagement Contract is prevented or delayed by any act or omission of Client or its agents, subcontractors, consultants, or employees, FTI shall not be deemed in breach of its obligations under this Engagement Contract or otherwise liable for any damages sustained or incurred by Client, in each case, to the extent arising directly or indirectly from such prevention or delay.

2.2 **Punctual and accurate information** – Client shall use reasonable skill, care and attention to ensure that all information FTI may reasonably require is provided on a timely basis and is accurate, complete, and relevant for the purpose for which it is required. Client shall also notify FTI if Client subsequently learns that any information provided is incorrect or inaccurate or otherwise should not be relied upon.

2.3 **No assurance on financial data** – While FTI’s work may include an analysis of financial and accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Client management will be responsible for any and all financial information they provide to FTI during the course of this Engagement, and FTI will not examine, compile, or verify any such financial information. Moreover, the circumstances of the Engagement may cause FTI’s advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and

the opportunity for supporting investigations in the time period. Accordingly, as part of this Engagement, FTI will not express any opinion or other form of assurance on financial statements of the Client or any other person.

- 2.4 **Prospective financial information** - In the event the Services involve prospective financial information, FTI's work will not constitute an examination or compilation, or apply agreed-upon procedures, in accordance with standards established by the American Institute of Certified Public Accountants or otherwise, and FTI will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. FTI will take no responsibility for the achievability of results or events projected or anticipated by the Client's management.

### 3. **Additional Services**

- 3.1 **Responsibility for other parties**— Client shall be solely responsible for the work and fees of any other party engaged by Client to provide services in connection with the Engagement regardless of whether such party was introduced to Client by FTI. Except as provided in this Engagement Contract (including section 2 of the Engagement Letter with respect to the retention of certain agents and independent contractors), FTI shall not be responsible for providing or reviewing the advice or services of any such third party, including advice as to legal, regulatory, accounting or taxation matters. Further, FTI acknowledges that it is not authorized under this Engagement Contract to engage any third party to provide services or advice to Client, other than FTI's affiliates, agents, or independent contractors engaged to provide Services, without Client's written authorization.

### 4. **Confidentiality**

- 4.1 **Restrictions on confidential information**— Both parties agree that any confidential information received from the other parties shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, no party will disclose any other contracting party's confidential information to any third party without such party's consent. Confidential information shall not include information that:

- 4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this Clause 4.1;
- 4.1.2 is acquired from a third party who, to the recipient party's knowledge, owes no obligation of confidence in respect of the information; or
- 4.1.3 is or has been independently developed by the recipient (without the use of confidential information).

- 4.2 **Disclosing confidential information** – Notwithstanding Clause 1.1 or 4.1 above, all parties will be entitled to disclose confidential information to a third party to the extent that this is required by valid legal process, provided that (and without breaching any legal or regulatory requirement) where reasonably practicable not less than 2 business days' notice in writing is first given to the other parties.

- 4.3 **Citation of engagement** – Without prejudice to Clauses 4.1 and 4.2 above, the Client hereby agrees that FTI shall be entitled to cite the performance of the Services hereunder to our clients and prospective clients as an indication of our experience and use the Client name and logo in connection with such disclosure, unless FTI and the Client specifically agree otherwise in writing.

- 4.4 **Internal quality reviews** – Notwithstanding the above, we may disclose any information referred to in this Clause 4 to any other FTI entity or use it for internal quality reviews; *provided*, that we shall cause such persons to keep such information confidential in accordance with the terms of this Engagement Contract.

- 4.5 **Maintenance of workpapers** – Notwithstanding the above, we may keep one archival set of our working papers from the Engagement, including working papers containing or reflecting confidential information, in accordance with our internal policies; *provided*, that we shall keep such materials confidential in accordance with the terms of this Engagement Contract.
- 4.6 **Data Protection** - In this paragraph, the terms “controller”, “personal data”, “processed”, “processor”, “processing” shall have the meaning given to them, or any equivalent terms, in applicable data protection laws. FTI and the Client will each act as separate and individual controllers in relation to any personal data processed by the Client or FTI in connection with this Engagement Contract. FTI and the Client will each comply with its own respective obligations under applicable data protection laws in relation to their processing of personal data under this Engagement Contract. Should the Services involve cross border transfers of personal data, FTI and the Client hereby enter into Module 1 of the EU Standard Contractual Clauses published by the European Commission and the UK Addendum to the EU Standard Contractual Clauses published by the ICO (where applicable) (together the “**Standard Contractual Clauses**”), with either the Client or FTI acting as data exporter and either the Client or FTI as data importer, as appropriate), in respect of any international transfer of personal data which would be prohibited by applicable data protection law in the absence of the Standard Contractual Clauses, in the form and manner set out at <https://ftitechnology.com/trust/cidta>. The Client acknowledges that FTI may appoint processors to process personal data on its behalf in connection with the Services. Such processors may be located overseas. Where required by applicable data protection law, FTI will enter into appropriate safeguards with these processors. Client and FTI agree that no “sale” (as that term is defined under applicable data protection laws) of personal data is intended as part of the Engagement Contract, and both parties will take steps to ensure no sale occurs. The parties agree that any provision of personal data by one party to another under the Engagement Contract is necessary to perform a business purpose and is not part of, and explicitly excluded from, the exchange of consideration, or any other thing of value, between the parties.

## 5. Termination

- 5.1 **Termination of Engagement with notice**—This Engagement Contract is terminable by the Client or by FTI at any time upon the giving of thirty (30) days written notice. Upon such termination by the Client (the “Termination Date”), FTI shall cease work and the Client shall have no further obligation for fees and expenses of FTI arising or incurred after the Termination Date; provided, however, that notwithstanding any termination by the Client or by FTI in the circumstances described in paragraph (a) under “Additional Provisions Regarding Fees” in the Engagement Letter, the Client shall reimburse FTI for its out-of-pocket expenses (the “Termination Expenses”) incurred in connection with commitments made by FTI prior to the Termination Date with respect to advance travel arrangements reasonably incurred, to the extent FTI is unable to obtain refunds of such expenses. FTI shall provide the Client with reasonable documentation to substantiate all Termination Expenses for which payment is requested.
- 5.2 **Continuation of terms**— The terms of the Engagement that by their context are intended to be performed after termination or expiration of this Engagement Contract, including but not limited to, Clauses 2 and 4 of the Engagement Letter, and Clauses 1.1, 4, 6, and 7 of these Standard Terms and Conditions, are intended to survive such termination or expiration and shall continue to bind all parties.

## 6. Indemnification, Insurance and Liability Limitation

- 6.1 **Indemnification** – Subject to any limitation post-petition required by the Bankruptcy Court, the Client agrees to indemnify and hold harmless FTI and its shareholders, directors, officers, managers, employees, contractors, agents and controlling persons (each, an “Indemnified Party”) from and against any losses, claims, damages or expenses, or if same was or is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, any threatened, pending or completed action, suit, proceeding or alternative dispute resolution mechanism, or any hearing, inquiry or investigation, in each case by reason of (or arising in part out of) any event or occurrence related to this Engagement Contract or any predecessor agreement for services or the fact that any Indemnified Party is or was an agent, officer director, employee or fiduciary of the Client, or by reason of any action or inaction on the part of any Indemnified Party while serving in such capacity (an “Indemnifiable Event”) against

expenses (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any Indemnifiable Event. The Application shall include the assumption by the Client of FTI's right to indemnification in respect of its actions under this Engagement Contract prior to the petition date. The Indemnified Party shall promptly forward to the Client all written notifications and other matter communications regarding any claim that could trigger the Client's indemnification obligations under this Section 6. If the Client so elects or is requested by an Indemnified Party, the Client will assume the defense of such action or proceeding, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the reasonable fees and disbursements of such counsel. In the event, however, such Indemnified Party is advised by counsel that having common counsel would present such counsel with a conflict of interest or if the defendants in, or targets of, any such action or proceeding include both an Indemnified Party and the Client, and such Indemnified Party is advised by counsel that there may be legal defenses available to it or other Indemnified Parties that are different from or in addition to those available to the Client, or if the Client fails to assume the defense of the action or proceeding or to employ counsel reasonably satisfactory to such Indemnified Party, in either case in a timely manner, then such Indemnified Party may employ separate counsel to represent or defend it in any such action or proceeding and the Client will pay the reasonable fees and disbursements of such counsel; provided, however, that the Client will not be required to pay the fees and disbursements of more than one separate counsel (in addition to local counsel) for an Indemnified Party in any jurisdiction in any single action or proceeding. In any action or proceeding the defense of which the Client assumes, the Indemnified Party will have the right to participate in such litigation and to retain its own counsel at such Indemnified Party's own expense. The Client further agrees that the Client will not, without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, delayed, or conditioned), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party or any other Indemnified Party is an actual or potential party to such claim, action, suit or proceeding) unless (i) to the extent that such settlement, compromise or consent purports directly or indirectly to cover the Indemnified Party or any other Indemnified Party, such settlement, compromise or consent includes an unconditional release of the Indemnified Party and each other Indemnified Party from all liability arising out of such claim, action, suit or proceeding, or (ii) to the extent that such settlement, compromise or consent does not purport directly or indirectly to cover the Indemnified Party or any other Indemnified Party, the Client has given the Indemnified Party reasonable prior written notice thereof and used all reasonable efforts, after consultation with the Indemnified Party, to obtain an unconditional release of the other Indemnified Parties hereunder from all liability arising out of such claim, action, suit or proceeding. The Indemnified Party shall not enter into any closing agreement or final settlement that could trigger the Client's indemnification obligations under this Section 6 without the written consent of the Client, which shall not unreasonably be withheld or delayed or conditioned. The Client will not be liable for any settlement of any action, claim, suit or proceeding affected without the Client's prior written consent, which consent shall not be unreasonably withheld, delayed, or conditioned, but if settled with the consent of the Client or if there be a final judgment for the plaintiff, the Client agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment, as the case may be.

- 6.2 **Insurance** –In addition to the above indemnification and provision regarding advancement of fees/expenses, FTI employees serving as directors or officers of the Client or its affiliates will receive the benefit of the most favorable indemnification and advancement provisions provided by the Client to its directors, officers and any equivalently placed employees, whether under the Client's charter or by-laws, by contract or otherwise. The Client shall specifically include and cover employees and agents serving as directors and officers of the Client or its affiliates from time to time with direct coverage under the Client's policy for liability insurance covering its directors, officers and any equivalently placed employees. Prior to FTI accepting any director or officer position, the Client shall, at the request of FTI, provide FTI a copy of its current D&O policy, a certificate of insurance evidencing the policy is in full force and effect, and a copy of the signed board resolutions and any other document that FTI may reasonably request evidencing the appointment and coverage of the indemnitees. The Client shall maintain such D&O insurance for the period through which claims can be made against such persons. In the event the Client is unable to include FTI employees and agents under the Client's policy or does not have first dollar coverage acceptable to FTI in effect for at least \$10 million, FTI may, subject to the prior written consent of the Client, attempt to

purchase a separate D&O insurance policy that will cover the FTI employees and agents only. The cost of the policy shall be invoiced to the Client as an out-of-pocket expense. Notwithstanding anything to the contrary, the Client's indemnification obligations in this Section 6 shall be primary to (and without allocation against) any similar indemnification and advancement obligations of FTI, its affiliates and insurers to the indemnitees (which shall be secondary), and the Client's D&O insurance coverage for the indemnitees shall be specifically primary to (and without allocation against) any other valid and collectible insurance coverage that may apply to the indemnitees (whether provided by FTI or otherwise). In connection with this Engagement, Client represents to FTI that (i) it has timely remitted and will continue to timely remit to the appropriate beneficiaries all employee source deductions, payroll and other taxes, benefits deductions, and contribution to employee benefit programs, and has timely collected and remitted sales and use and other similar taxes to appropriate collecting authorities and will continue timely to do so; (ii) there is no litigation or other proceeding pending, or to knowledge of Client, threatened (nor is Client aware of facts that could give rise to such), in each case that seeks or could give rise to personal liability of officers and directors of Client; and (iii) Client has been in continuing compliance with all applicable laws and regulations concerning the discharge, treatment, storage, transportation or use of hazardous materials and is aware of no facts or circumstances that could give rise to Client responsibility or liability under such laws and regulations.

- 6.3 **Limitation of liability** – Client agrees that no Indemnified Person shall be liable to the Client, or its successors, affiliates, or assigns, for damages in excess of the total amount of the fees paid to FTI under this Engagement Contract. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind. In the event that FTI agrees hereunder and/or in writing to accept liability to more than one party, the limit of FTI's liability set forth in this Section 6.3 shall be shared between the parties, and in no event shall FTI's aggregate liability exceed the total amount of the fees paid to FTI under this Engagement Contract.
7. **Governing Law, Jurisdiction, WAIVER OF JURY TRIAL, Compliance with Law, Notice and Miscellaneous**
- 7.1 **Governing Law** – The Engagement Contract shall be governed by and interpreted in accordance with the laws of the State of New York, without giving effect to the choice of law provisions thereof.
- 7.2 **Jurisdiction.** - The United States District Court for the Southern District of New York and the appropriate Courts of the State of New York sitting in the Borough of Manhattan, City of New York shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The Bankruptcy Court having jurisdiction over the Client's Bankruptcy case shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties submit to the jurisdiction of such courts and irrevocably waive any right they may have to object to any action being brought in these courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.
- 7.3 **WAIVER OF JURY TRIAL** – TO FACILITATE JUDICIAL RESOLUTION AND SAVE TIME AND EXPENSE, THE CLIENT AND FTI IRREVOCABLY AND UNCONDITIONALLY AGREE TO WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THE SERVICES OR THIS ENGAGEMENT CONTRACT.
- 7.4 **Compliance with Laws** - Each of FTI and the Client agrees that it will comply with all anti-corruption, anti-money laundering, anti-bribery and other economic sanctions laws and regulations of the United States, United Kingdom, European Union and United Nations (collectively, the "ABC/AML/Sanction Laws") in connection with this Engagement. The Client further agrees that it shall not, and it shall procure its employees not to, pay or cause other person(s) to pay FTI using any funds that would result in a violation of any of the ABC/AML/Sanction Laws by either Client or FTI, or otherwise take any action that would result in a violation of any of the ABC/AML/Sanction Laws by either Client or FTI. Each of FTI and the Client shall promptly notify the other party in the event of any violation or failure to comply with

ABC/AML/Sanction Laws in connection with this Engagement, or allegations relating thereto, by such party or its directors, officers, employees or agents.

- 7.5 **Notice** - All notices, requests, consents, claims, demands, waivers, and other formal communications under this Engagement Contract shall be in writing and shall be deemed to have been given (a) when delivered by hand, (b) when received by the addressee, if sent by a nationally recognized overnight courier (evidence of receipt requested), (c) on the date sent by email if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient (in each case, if successfully transmitted and with a copy sent via one of the other methods of delivery specified in this paragraph), or (d) upon delivery, if mailed by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below, or at such other address for a party as shall be specified in a notice given in accordance with this paragraph:

If to FTI: FTI Consulting, Inc.  
555 12<sup>th</sup> Street NW, Suite 700  
Washington, D.C., 20004  
Attn: Legal Department  
Email: [legal@fticonsulting.com](mailto:legal@fticonsulting.com)

If to Client: The Container Store, Inc.  
500 Freeport Pkwy  
Coppell, TX 75019  
Attn: Tasha Grinnell, General Counsel  
Email: [TLGrinnell@containerstore.com](mailto:TLGrinnell@containerstore.com)

With a copy to:  
Latham & Watkins LLP  
1271 Avenue of the Americas  
New York, NY 10020  
Attn: Ted Dillman, Hugh Murtagh  
Email: [ted.dillman@lw.com](mailto:ted.dillman@lw.com); [hugh.murtagh@law.com](mailto:hugh.murtagh@law.com)

- 7.6 **Miscellaneous** – Client shall not assign any of its rights or delegate any of its obligations under this Engagement Contract without the prior written consent of FTI. Any purported assignment or delegation in violation of this provision is null and void. No assignment or delegation relieves Client of any of its obligations under this Engagement Contract. This Engagement Contract represents the entire understanding of the parties hereto and supersedes any and all other prior agreements among the parties regarding the subject matter hereof; shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors, and permitted assigns; may be executed and sent electronically (followed by originals sent via regular mail if requested by a party), and in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; and may not be waived, modified or amended unless in writing and signed by a representative of the Client and FTI. The provisions of this Engagement Contract shall be severable. No failure to delay in exercising any right, power or privilege related hereto, or any single or partial exercise thereof, shall operate as a waiver thereof. This Engagement Contract is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason hereof.





**EXHIBIT B**  
**Scope of Services**

1. Restructuring Advisory Services

- Coordinate the activities of the Company's advisory team and advise the Company and Restructuring Committee on the restructuring;
- Assist the company in preparing for and operating as a debtor in possession in a case under chapter 11 of title 11 of the United States Bankruptcy Code; .
- Manage the day-to-day activities of the restructuring;
- Support the Company, counsel and other professionals in restructuring negotiations and communications with the Company's Lenders and other stakeholders;
- Assist the Company and counsel in the preparation of any required financial disclosures and reporting requirements including, but not limited to, the preparation of schedules of assets and liabilities, statement of financial affairs, monthly operating reports or any other similar period reports, and any necessary or required financial disclosures in connection with any debtor in possession financing, disclosure statement and/or chapter 11 plan;
- Assist with claims reconciliation and objections;
- If needed, provide testimony supporting the Company's first day motions, petitions, plan of reorganization, and other as the circumstances warrant;
- Assist the Company with and participate in its initial debtor interview and the meeting of creditors, as needed; and
- Other chapter 11 related services as may be reasonably requested by the Company and counsel, and are customary in this type of engagement.

2. Financial Forecasting, Analysis and Related Support

- Work with Company management in maintaining and refining and maintaining a 13-week cash flow forecast and prepare cash flow budget to actual variance analysis as needed, including;
- Continually review the Company's revolving credit facility including the borrowing base calculations, financial covenant calculations and compliance certificates;
- Work with management in the alignment of the cash flow forecast with current budget and longer-term business plan;
- Support management in maintaining a recurring reporting cadence update to the cash forecast and improve the cash flow forecast and liquidity planning process, as applicable;
- Maintain the Company's Debtor-In-Possession ("DIP") forecast and support the Company in presenting the forecast and handling inquiries related to the forecast with internal and external stakeholders; and
- Assist the Company in managing, tracking, and reporting DIP forecast post chapter 11 filing.
- Work with management in the development of the Company's multi-year business plan including the most recent operating performance, the current operating budget and the long-term forecast;
- Assist the Company in the preparation of the financial projections in support of the plan of reorganization;
- Assist the Company in the preparation of a liquidation analysis in support of the plan of reorganization;
- Review historical financial results, including trends in key operating metrics, revenue, gross profit, operating expenses, EBITDA and capital spending;
- Review trends in revenue and profitability by region, location ("four-wall"), vendor, product, and customer.
- Review the forward financial covenant calculations and expected compliance therewith;
- Support in-flight and/or planned cost and strategic initiatives (expected benefit, timing, and cost to achieve) and ensure alignment with financial model;
- Work with management in developing appropriate sensitivity analyses around the business plan and cash flow projections based on risk factors identified in diligence process;
- Develop and review presentation materials, financial analyses, management reports; operating reports and other information; and
- Support management, and the other advisors with analyses and information as may be required.

3. Communications Support

- Develop comprehensive communications strategy and materials across all major stakeholder audiences (including timeline of activities and responsibilities, messaging, Q&A, letters, talking points, etc.);
- Build media relations plan and conduct outreach proactively and reactively on behalf of or in concert with the company;
- Lead training sessions for stakeholder-facing employees in the days leading up to a filing in order to equip them for messaging and communications rollout;
- Build and maintain digital assets, including dedicated restructuring microsite, social media posts, and infographics;
- If an in-court process is required, liaise with claims agent to ensure escalation protocols are clear, call center is equipped, and materials are aligned.

4. Other

- Perform other services that may be reasonably requested and are customary in this type of engagement.

**TO BE ON FTI LETTERHEAD**

**SCHEDULE A**

**FTI STANDARD RELEASE LETTER**

[Date]

Third Party Name  
ADDRESS  
CITY, STATE, ZIP

To whom it may concern.

Pursuant to that engagement letter dated \_\_\_\_\_, 202\_ (the "Engagement Letter") between FTI Consulting, Inc. ("FTI") and \_\_\_\_\_ ("Client"), FTI has been engaged to perform certain services solely for the Client (the "Services") in connection with \_\_\_\_\_.

Client has requested that FTI provide [name of recipient] (the "Recipient") access to the report of its findings dated [date] and including any subsequent revisions, updates or addendums thereto (together, the "Report"). Recipient acknowledges that this Report was prepared at the direction of Client, was performed exclusively for Client's sole benefit and use, may not include all procedures deemed necessary for the purposes of Recipient, and that certain findings and information may have been communicated to Client that are not reflected in the Report. Recipient further acknowledges that (a) the Report is being provided for informational purposes only; (b) the Report shall not constitute, either expressly or impliedly, any representation or affirmation by FTI as to the accuracy, completeness and/or fairness of presentation of the Report or any statements or information contained therein; and (c) Recipient will make any decisions based on its own investigation, due diligence and analysis, independent of, and without reliance on or reference to, the contents of the Report or any other opinions or conclusions of FTI.

In consideration of FTI allowing Recipient access to the Report and, if requested by Recipient, discussing the Report, Recipient agrees that it does not acquire any rights as a result of such access that it would not otherwise have had and acknowledges that FTI does not assume any duties or obligations to Recipient in connection with such access.

Recipient agrees to release FTI and its personnel from any claims or causes of action by Recipient that arise as a result of FTI permitting Recipient access to the Report. Recipient agrees not to sue or participate in any way (except as required by a validly issued court order or subpoena) in any legal proceeding, dispute, or cause of action against FTI arising out of or relating to the Report, including any claim that Recipient has in any way relied upon the Report. Recipient acknowledges that FTI does not owe or accept a duty to Recipient, whether in contract or in tort, or however otherwise arising.

Further, Recipient agrees not to disclose or distribute the Report, or any other information received orally or in writing from FTI, to any other parties without FTI's prior written consent. Notwithstanding the foregoing, Recipient may disclose the Report (a) to its Affiliates and its and their respective directors, officers, and employees, (the "Representatives") who have a need to receive the Report in connection with the purpose for which the Report is being provided to you and solely for informational purposes, (b) to its legal counsel, accountants and auditors who are bound by written agreements and/or rules of professional conduct/ethics to maintain the Report as confidential ("Professional Advisors"), (c) to its advisors (including but not limited to financial advisors), consultants, lenders and/or potential investors, provided that, before any disclosure of the Report, each advisor, consultant, lender and/or potential investor executes its own release letter with FTI with terms no less restrictive than those contained herein, provided, further that Recipient remains responsible for any breach of this letter agreement by its Representatives or Professional Advisors. Recipient may also disclose the Report as required by any applicable law, or by order or ruling of any competent judicial, governmental, regulatory or supervisory body, provided, to the extent legally permissible, Recipient provides FTI with written notice promptly upon becoming aware of such obligation and reasonably cooperates with FTI, at FTI's expense, in FTI's efforts to obtain a protective order and/or limit the scope

of such disclosure. Notwithstanding the foregoing, no notice is required regarding any disclosure of any information to a regulator or governmental agency having jurisdiction over Recipient or its Affiliates in the course of such regulator's or governmental agency's routine examination, reporting, audit or inspection not targeting the Report or the Services. For purposes of this letter agreement, the term "Affiliate" shall mean and include any entity that directly or indirectly controls, is controlled by, or is under common control with Recipient, for as long as such relationship remains in effect. The term "control" means the possession of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, through contract or otherwise.

Recipient's obligations hereunder do not prohibit Recipient from disclosing, without attribution or reference in any matter to FTI or the Report, any information that: (a) is or becomes publicly available other than by a breach of this letter agreement; (b) is or becomes available to Recipient from a third party who is known by Recipient to not be prohibited from disclosing such information by a contractual, or legal obligation; (c) is known to Recipient prior to the date of this letter agreement; or (d) that Recipient develops independently without the use of or reliance on the Report. FTI is not authorized to and does not waive any other non-use or non-disclosure obligations which may apply to Client's or any other party's information that may be subject to confidentiality agreements.

This letter agreement constitutes the entire agreement between the parties regarding the subject matter hereof and shall be governed by the laws of the State of New York, without giving effect to the choice of law provisions thereof.

Please confirm your agreement with the foregoing by signing and dating a copy of this letter and returning it to FTI.

Sincerely,

\_\_\_\_\_

[INSERT FTI SMD or MD name here]  
[Senior Managing Director/Managing Director]  
FTI Consulting, Inc.

Acknowledged, accepted and agreed:

[ENTER RECIPIENT NAME]

By: \_\_\_\_\_

(Name of Company official)



**Schedule 1**

**Potential Parties in Interest**

**Schedule 1**

**Potential Parties-in-Interest**

**1. Debtors**

C Studio Manufacturing Inc.  
C Studio Manufacturing LLC  
TCS Gift Card Services, LLC

The Container Store Group, Inc.  
The Container Store, Inc.

**2. Non-Debtor Affiliates**

Elfa Deutschland GmbH  
Elfa Doors AB  
Elfa Finland OY  
Elfa International, AB  
Elfa Sweden AB

Elfa Lumi A/S  
Elfa Lumi AB  
Elfa Manufacturing Poland Sp. Zo.o  
Elfa Norge A/S

**3. Debtors' Previous Names, Predecessors, and Related Entities**

Closet Parent Company, Inc  
Closet Works, LLC

Home Merger Sub, Inc.  
TCS Holdings, Inc.

**4. Debtors' Restructuring and Other Significant Professionals**

Ankura Intermediate Holdings, LP  
Ernst & Young LLP  
FTI Consulting  
Houlihan Lokey  
Hunton Andrews Kurth LLP  
ICR LLC  
Latham & Watkins LLP

PwC US Tax LLP  
Riveron Consulting, LLC  
Sheppard, Mullin, Richter & Hampton, LLP  
Sidley Austin LLP  
Verita Global

**5. Major Equity Holders<sup>1</sup>**

Green Equity Investors V, L.P.

Green Equity Investors Side V, L.P.

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<sup>1</sup> For purposes of this list, major equity holders are considered to be persons or entities who hold in excess of 5% of the Debtors' equity securities. Persons or entities in addition to those listed here may exist but, because such equity positions are held through Cede & Co., there is not visibility with respect to the identity of such holders. To the extent the identities of such holders are later revealed through other avenues, such as periodic securities filings, this list will be updated to reflect the names of such holders.

**Schedule 1**

**Potential Parties-in-Interest**

**6. Current and Former Officers and Directors (Up to 3 Years)**

Anders Rothstein  
Anthony Laday  
Caryl Stern  
Charles Tyson  
Dhritiman Saha  
Eva Gordon  
Gretchen Ganc  
Jeffrey Miller  
John Gehre  
John Marazio  
Jonathan Sokoloff  
Karen Stuckey  
Kris Galashan  
Kristin Schwertner

Lindy Rawlinson  
Lisa Klinger  
Maria Thereza Neisler  
Melissa Collins  
Michael Lambeth  
Nicole Otto  
Robert Jordan  
Satish Malhotra  
Stacey Shively  
Stephanie Lind  
Tasha Grinnell  
Thomas Happ  
Timothy Flynn  
Wendi Sturgis

**7. Secured Lenders as of Petition Date**

Amer Money Mgmt Corp  
Arbour Lane Capital Mgmt Lp  
Cohanzick Mgt LLC  
Glendon Cap Mgmt L.P.  
LCM Asset Management LLC  
Loomis Sayles And Co LP  
MJX Asset Mgmt LLC  
Nassau Global Credit LLC  
Park Ave Inst Advisers LLC

Golub Capital LLC  
Guardian Investor Services LLC  
JP Morgan Chase & Co.  
JPMorgan Bk Branch  
Tikehau Cap North Amer LLC  
Wells Fargo  
Z Capital Credit Partners, LLC  
ZAIS Group LLC

**8. Lienholders**

JPMorgan Chase Bank, N.A. as Collateral Agent  
Wells Fargo Bank, N.A.  
Bank One, Texas, NA as Agent  
Summit Funding Group, Inc.

Everbank Commercial Finance, Inc.  
Susquehanna Commercial Finance, Inc.  
MB Financial Bank, N.A.

**9. Contract Counterparties<sup>2</sup>**

Aberdeen Plastics, Inc.  
Adobe Systems, Inc.  
Balkan Express, LLC  
Bigso AB  
California Pak International, Inc.  
Caraway Home, Inc.

Caspari  
Design Ideas  
Design Ideas- mesh  
DJS International Services, Inc.  
Echo Global Logistics, Inc.  
EISHO Co., Ltd.

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<sup>2</sup> Top 50 contract counterparties are included here, which accounts for 75% of total spend for the last twelve months.



**Schedule 1**

**Potential Parties-in-Interest**

Euro Style, Inc.	Poppin Furniture LLC
Fuzhou Jinqingyun Import and Export Co. LTD	Pratt Industries
Google, Inc.	Progressive International Corp.
Havenly CZ, LLC	Really Useful Boxes, Inc.
I&I Services, LLC	Rommel Inc
Insight Direct USA, Inc.	Salesforce.com, Inc.
Interdesign, Inc.	Sapient Corporation
Interface Security Systems LLC	Shandong lida Import and Export Corp.
Intermetro Industries Corporation	Simple Human
Iris USA, Inc.	Sterilite Corporation
L and F Plastics Co., Ltd	Swift Transportation Services, LLC
MALZINE CO., LTD	Tai Mei Acrylic Co., Ltd
Manhattan Associates, Inc.	Tata Consultancy Services Limited
Mark IV Transportation & Logistics	Tien Thanh Co., Ltd
Modulus, Inc.	VRIZE Inc
NB Global Imports	VSS Transportation Group, Inc.
Ningbo Deli Imp.& Exp. Co., LTD.	Whitmor, Inc.
Ningbo Vacane Import & Export Co., LTD.	York (Asia) Limited
Penmarc Inspired Spaces, LLC	
PMG Worldwide, LLC	

**10. Administrative Agent**

JP Morgan Chase

**11. Professionals Representing Parties**

AlixPartners	Paul Hastings
BRG	Simpson Thacher & Bartlett
Greenhill	

**12. Top 20 Unsecured Creditors**

Ankura Intermediate Holdings, LP	LC Designs Company Limited
DJS International Services, Inc.	Ningbo Vacane Import & Export Co., LTD.
Echo Global Logistics, Inc.	OXO International, Ltd.
Evergreen Shipping Agency (America) Corp	Pura Scents, Inc.
FC Brands LLC	Ryan Tax Compliance Services, LLC
Fedex	Sapient Corporation
Hulken Inc.	Swift Transportation Services, LLC
Interdesign, Inc.	Test-Rite Intl Co., Ltd.
Iris USA, Inc.	Transcon Shipping Co., Inc.
J&O Plastics Inc	York (Asia) Limited

**Schedule 1**

**Potential Parties-in-Interest**

**13. Major Suppliers, Vendors, and Other Parties**

625 Ownership,LLC	MALZINE CO., LTD
Aberdeen Plastics, Inc.	Marsh and McLennan Agency LLC
AlixPartners, LLP	Meta Platforms, Inc.
AMEX Travel Related Services Company, Inc	Ningbo Vacane Import & Export Co., LTD.
California Pak International, Inc.	Oracle America Inc
Chestnut Hill Shopping Center LLC	OXO International, Ltd.
Chubb	Penmarc Inspired Spaces, LLC
Cigna Health and Life Insurance Company	PMG Worldwide, LLC
Closet Works LLC	Poppin Furniture LLC
Design Ideas- mesh	Pratt Industries
DJS International Services, Inc.	PRISA LHC, LLC
Echo Global Logistics, Inc.	Prologis, L.P. dba Duke Secured Financing
Elfa - Sweden	Regency Centers, LP
Engie Insight Services Inc.	Rommel Inc
Evergreen Shipping Agency (America) Corp	Ryan Tax Compliance Services, LLC
Fedex	Sapient Corporation
Fidelity Investments	Schwarz Paper Company, LLC
FTI Consulting, Inc	Simple Human
Havenly CZ, LLC	Swift Transportation Services, LLC
I&I Services, LLC	Tai Mei Acrylic Co., Ltd
Insight Direct USA, Inc.	Transcon Shipping Co., Inc.
Interdesign, Inc.	UKG Inc.
Intermetro Industries Corporation	United HealthCare Services, Inc.
Iris USA, Inc.	Whitmor, Inc.
JP Morgan Chase	XPO Logistics, LLC
L AND F Plastics Co., Ltd	York (Asia) Limited
Latham & Watkins LLP	YOSHIKAWAKUNI PLASTICS IND LTD
LC Designs Company Limited	

**14. Third Party Administrators**

CapFinancial Partners	New York Life Insurance Company
Cigna Life Insurance Company of New York	O.C. Tanner Company
Concur Technologies, Inc.	RxBenefits, Inc.
Fidelity Brokerage Services LLC	Stealth Partner Group, an Am Wins Company
Fidelity Management Trust Company	UKG Inc.
Hooray Health	UnitedHealthcare
Life Insurance Company of North America	Wex Inc.
Marsh McLellan Agency	

**15. Significant Customers**

Marriott	The Home Edit
GMH Communities	Suffolk Construction
Towneplace	Willow Bridge

**Schedule 1**

**Potential Parties-in-Interest**

Crescent Heights  
MAA  
Related Companies  
Fairfield Properties  
Graceful Spaces Organizing  
Bozzuto  
Shelby Cornett  
Imt Residential  
Katia Basley  
Carmel Partner  
Builtrite  
Convexity  
Stasia Steele  
Ashley Stewart  
Paramount Construction  
Jenny Dietsch  
TMC  
Winthrop  
Quadrangle Development  
Kat Pettey

Two Coast Living  
Rajesh Agarwala  
Debra Miley  
Jen Rob  
Lonicera Partners  
Aria Development  
A Fresh Space Shopping  
Tishman Speyer  
Larisa Bright  
Organized Nest  
Akelius  
Abby Kahn  
Oht Partners  
HC Pody  
Becky Marple  
Jessica Harroz  
Alex Lane  
Lauren Pitts  
Tracy Bowers

**16. Debtors' Banks**

Bank of America  
Citibank, N.A.  
Cornerstone National Bank & Trust Company

JP Morgan Chase Bank, N.A.  
Wells Fargo Bank, N.A.

**17. Insurers and Insurance Agents**

ACE American Insurance Company  
ACE Fire Underwriters Insurance Co.  
AIG Specialty Insurance Co.  
Allied World Assurance Co (U.S.) Inc.  
American International Group, Inc  
Applied Financial Lines  
Berkshire Hathaway Specialty Insurance  
Company  
CFC Underwriting Limited (Lloyds of London)  
Crum & Forster Specialty Insurance Co  
Endurance American Insurance Company  
Endurance Assurance Corporation  
Federal Insurance Company  
Great American Insurance Co.  
Hartford Fire Insurance Company  
Hartford Insurance of the Midwest  
Hudson Insurance Group

Indemnity Insurance Co. of North America  
Lloyd's Insurance Company  
Lloyd's Syndicate 3623 (Beazley)  
Marsh McLellan Agency  
National Union Fire Insurance Company of  
Pittsburgh, PA  
Navigators Insurance Company  
Ohio Bureau of Workers' Compensation  
Palomar Excess and Surplus Insurance Company  
Selective Insurance Co. of New York  
Selective Insurance Co. Of the Southeast  
The Continental Insurance Company  
Travelers Property Casualty Co.  
Woodruff Sawyer  
XL Insurance America, Inc.

**Schedule 1**

**Potential Parties-in-Interest**

**18. Surety Bond Issuers & Beneficiaries**

Memphis Light, Gas and Water Division  
Southern California Edison Company  
Entergy Arkansas, Inc.  
Florida Power & Light Company  
Sacramento Municipal Utility District  
Long Island Lighting Company d/b/a Lipa  
Nevada State of  
Columbia Gas  
conEdison  
Baltimore Gas & Electric Company  
Delmarva Power and Light Company  
Potomac Electric Power Company  
Arizona Public Service Company

Southwest Gas Corporation  
Progress Energy Carolinas, Inc.  
Nevada Power Company DBA NV Energy  
Rhode Island, State of  
PECO Energy Company  
Georgia Power Company  
Orlando Utilities Commission  
Florida Power and Light  
Tampa Electric Company  
Arch Insurance Company  
Travelers-Travelers Casualty and Surety  
Company

**19. Letters of Credit Issuers & Beneficiaries**

American Alternative Insurance Corporation  
C/O Roanoke Insurance Group Inc.  
American Express Travel Related Services  
Company, Inc C/O Global Corporate Payments  
US  
Caspari, Inc  
Design Ideas, Ltd  
Dynergy Energy Services LLC  
Evriholder Prodcuts LLC

Federal Insurance Company  
JPMorgan Chase Bank, N.A. Regent Holding  
Company, LLC  
Travelers Casualty and Surety Company of  
America  
TXU Energy Receivables Company LLC  
AAIC C/O Roanoke Insurance Group

**20. Taxing and Other Governmental Authorities**

Alabama Department of Revenue  
Alaska Remote Seller Sales Tax Commission  
Anne Arundel County Government  
Arizona Department of Revenue  
Arkansas Department of Finance and Admin  
Arkansas Secretary of State  
Arlington County Treasurer's Office  
Bernalillo County Treasurer  
Beth Ford, Pima County Treasurer  
Bexar County  
Borough of Paramus  
Broward County, Florida  
CA State Board of Equilization  
Ca. Franchise Tax Board  
Ca. State Board Of Equalization  
City of Albuquerque

City of Alpharetta  
City of Atlanta  
City of Bellevue  
City of Brentwood  
City of Centennial  
City Of Costa Mesa  
City of Cranston  
City of Dunwoody  
City of El Segundo  
City of Germantown  
City of Glendale  
City Of Glendale (AZ)  
City of Hallandale Beach  
City of Little Rock  
City of Lone Tree  
City of Longmont

**Schedule 1**

**Potential Parties-in-Interest**

City of Los Angeles, The	Harford County
City of Newton	Harris County WCID #116
City of Novi	Harris County, Tax Assessor-Collector (Houston)
City of Orlando	Hawaii Department of Taxation
City of Oxnard	Hillsborough County Tax Collector
City of Palm Beach Gardens	Idaho State Tax Commission
City of Palo Alto	Illinois Dept. Of Revenue
City of Peabody	Illinois Secretary of State
City of San Jose	Indiana Department of Revenue
City of San Mateo, CA	Indiana Secretary of State
City of Tampa	Iowa Dept. of Revenue
City of Thosand Oaks	John R. Ames, Dallas County Tax Assessor- Collector
City of Troy	Kansas Department of Revenue
City of Tualatin	Kansas Secretary of State
City of Tucson	Kentucky State Treasurer
City of Tukwila	King County Treasury
City of Walnut Creek	Los Angeles County Tax Collector
City of Wauwatosa	Louisiana Department of Revenue
City Treasurer-San Diego	Maine State Treasurer
Clark County	Maricopa County Treasurer
Clark County Assessor	Marin County Tax Collector
Clear Creek I.S.D. Tax Office	Marion County Treasurer
Clerk of Circuit Court	Maryland Comptroller/Treasury
Clerk of the Court	Massachusetts Department of Revenue
Collin Country, Tax Assessor Collector (McKinney)	Mecklenburg County Tax Collector
Colorado Department Of Revenue	Miami Dade County Tax Collector
Commonwealth of Massachusetts	Michigan Dept. of Treasury
Connecticut Dept. of Revenue	Minnesota Department of Revenue
Contra Costa County Tax Collector	Mississippi Department of Revenue
County Of Fairfax	Missouri Department of Revenue
County of Henrico	Missouri Director of Revenue
County of Nassau	Missouri Secretary of State
County of Palm Beach	Montgomery County Maryland
Cypress-Fairbanks ISD	Nebraska Dept. of Revenue
Davidson County, Metropolitan Trustee (Nashville)	Nevada Department of Taxation
DC Treasurer/DC Office of Tax and Revenue	New Hampshire Department of Revenue
DC Treasrer/DC Office of Tax and Revenue	New Mexico Secretary of State
DeKalb County Tax Commissioner	New York City Department of Finance
Delaware Division of Revenue	New York State Corporation Tax
Douglas County Treasurer (NE)	New York State Sales Tax
DPH/Weights and Measures	NM Taxation and Revenue Department
DSHS Hazardous Consumer Products Permits	North Carolina Department of Revenue
El Paso County	North Carolina Secretary of State
Florida Department of Revenue	North Dakota State Tax Commissioner
Fulton County Tax Commissioner	North Hills School District Tax Office
Georgia-Department of Revenue	Oklahoma County Treasurer
Government of the District of Columbia	Oklahoma Secretary of State

**Schedule 1**

**Potential Parties-in-Interest**

Oklahoma Tax Commission	Town of Natick
Orange County Tax Collector	Travis County Tax Collector (Austin)
Orange County, FL Tax Collector	Treasurer Arlington County
Oregon Department of Revenue	Treasurer of State of Ohio
PA Department of Revenue	United States Treasury
Regina Morrison Newman, Trustee	Utah Department of Agriculture & Food
Rhode Island Division of Taxation - Dept #88	Utah State Tax Commission
Ryan Tax Compliance Services, LLC	Ventura County Tax Collector
Sacramento County	Ventura Department of Weights and Measures
San Diego County, Tax Collector	Vermont Department of Taxes
San Francisco Tax Collector	Village of Northbrook
Santa Clara County	Village Of Schaumburg
Secretary of State	Virginia Department Of Taxation
South Carolina Dept. of Revenue	Virginia State Corporation Commission
South Dakota Department of Revenue	Wake County Revenue Department
St. Louis County Department of Revenue	Washington County
State of New Jersey	Washington State Department of Revenue
State of Rhode Island	Washington State Treasurer
Tax Assessor & Collector / Montgomery County	West Virginia State Tax Department
Tax Collector, Santa Clara County	Westchester Co. Dept of Consumer Protection
Taxes-Tarrant County (Fort Worth)	Wisconsin Department of Revenue
Tennessee Department of Revenue	Wisconsin Dept of Financial Institutions
Tennessee Secretary of State	Woodlands Metro Center MUD
Texas Comptroller of Public Accounts	Wyoming Department of Revenue
Town of Corte Madera	

**21. Landlords**

33 Woodlands, LLC (Kamber Mgmnt)	Federal Realty
625 Ownership LLC	FSLRO 7580 W Bell Glendale, LLC (Lincoln Properties)
770 Tamalpais Dr, Inc. (Colliers)	Gilmore Farmers Market
Acadia Realty	Hines
Allied Retail Properties	Hurd Development
AR Global Investments	ICRE REIT Holdings dba Hawthorne Plaza, LLC
Bayer Properties / Wicker Park Capital Mgmnt	Inland Commercial Real Estate Services
BQ 4720 Spruce, LLC (Franklin Street)	JH Snyder & Company
Brookfield	Kemper Development
Cameron Group Associates, LLLP (First Capital Property Group)	Kimco
Caruso	Kite Realty
Centercal	Lerner
Coolidge Paramus, LLC (Samson Mgmt)	Levine Investments (Western Retail Advisors - broker)
Coro Realty	Lincoln Property Company
DalSan Properties	LRC Realty
Duesenberg-Topanga LLC	Macerich
Duke Secured Financing	Metro Pointe Retail Assoc II
Fair Oaks & Union, LLC (CFT Developments)	MRW Retail, LLC
Fairbourne	
FC Yonkers Associates	

**Schedule 1**

**Potential Parties-in-Interest**

National Retail Properties, LP	Steiner + Associates
North American Properties	Stuart Frankel Development
North American Real Estate	SyWest Development
Pace Properties	Taubman
PGIM Real Estate	The Hayman Cmpany
Ponte Gadea (Cushman & Wakefield)	The Village at Gulfstream Park, LLC
PR/MRPI Eastgate C, LLC	TIAA
PREIT	Town & County SC, LLC
Prepp	TREA 3010 Bridgepointe Parkway LLC
Principal Life Ins. Co - 431110 (Mid-America)	Tuscan South Village, LLC
Rappaport Management Company	URW/Westfield
Regency Centers	UWS Post Oak, LLC
Saber Livingston, LLC (Saber Fund)	Washington Prime
Schlosser Development	West Windsor Plaza Associates, LLC / Garden
Selig Investments	Homes Development
Simon Properties	Woolbright Development, Inc.
Site Centers	WS Development
Smithco Champions, LP	

**22. Litigation Counterparties**

Anika Menor	Liliana Gibbs
Anne Heitiing	Lisa Cantwell
Anne K Franklin	Lisa Irving
Cindy Fassler	Mark Cadigan
Daniel Bang	Michael Levine
Danielle Diallo	Migel Elias Urban Sr.
Ecological Alliance, LLC	Mika Pyyhkala
Ema Bell	National Federation of the Blind
Gabriel Espinoza	Rachel Frasca
GCE Internaional, Inc.	Rashad Trevor Samuels
Gen Harper	Rashon Hayes
Gravel Rating Systems LLC	Robert Conohan
Hayley Blair Williky	Susan Levine
JoAnne Strucker	Yudi Hernandez
John Fralish	

**23. Counsel to Litigation Counterparties**

Adam B. Reed & Associates	Hill, Farrer & Burrill LLP
Adams & Associates, P.A.	Kardell Law Group
Commercial Litigation Branch U.S. Department of Justice	Law Office of Jana Eisinger, PLLC
Custodio & Dubey LLP	Law Offices Brodsky Smith
Darr Law LLC	Law Offices of Dan A. Atkerson
Devlin Law Firm LLC	Lawyers for JUSTICE, PC
EEOC-Dallas	Maryland Occupational Safety & Health
Glenn Agre Bergman & Fuentes LLP	Mendez Law Offices
	New York State Department of Labor

**Schedule 1**

**Potential Parties-in-Interest**

Office of Chief Counsel U.S. Customs & Border Protection  
Office of the General Counsel Office of the U.S. Trade Representative  
PA Human Relations Commission  
Ruberto, Israel & Weiner,P.C.  
Sills Cummis & Gross

State of Delaware Department of Labor Division of Industrial Affairs  
Office of Anti-Discrimination  
Stein Saks PLLC  
Tauler Smith LLP  
Tre Legal Practice, LLC  
Whistleblower Protection Program, U.S. Department of Labor OSHA  
Wilshire Law Firm

**24. Utilities**

APS  
BGE  
CenturyLink Summary  
Charter Communications  
City of Austin, TX  
City of Coppell, TX  
City of Palo Alto Utilities, CA  
Con Edison  
Con Edison  
Constellation NewEnergy  
Direct Energy  
Dominion VA/NC Power  
DTE Energy  
Eversource Energy  
Eversource Energy  
FPL - Florida Power & Light Company  
Georgia Power

Level 3 Communications LLC  
Nashville Electric Service  
NV Energy/30150 South Nevada  
Orlando Utilities Commission  
Pacific Gas & Electric  
Pasadena Water and Power  
PEPCO (Potomac Electric Power Company)  
PSEGLI  
Puget Sound Energy  
Rhode Island Energy  
San Diego Gas & Electric  
Southern California Edison  
Teco Tampa Electric Company  
Tucson Electric Power Company  
TXU Energy  
Xcel Energy

**25. Other Significant Parties**

Acquiom Agency Services LLC  
Beyond, Inc.  
Eclipse Business Capital LLC  
Equini Trust Company, LLC

Jefferies Capital Services, LLC  
Riemer & Braunstein LLP  
Seaport Loan Products LLC

**26. United States Bankruptcy Judges for the Southern District of Texas (and Key Staff Members)**

Aaron Jackson  
Akeita House  
Judge Alfredo R. Perez  
Ana Castro  
Jeannie Chavez  
Judge Christopher M. Lopez  
Judge Eduardo V. Rodriguez

Judge Jeffrey P. Norman  
Judge Marvin Isgur  
Rosario Saldana  
Shannon Holden  
Sierra Thomas-Anderson  
Tracy Conrad  
Tyler Laws



**Schedule 1**

**Potential Parties-in-Interest**

Zilde Martinez

**27. United States Trustee for the Southern District of Texas (and Key Staff Members)**

Alethea Caluza  
Alicia Barcomb  
Alina Samko-Yu  
Andrew Jimenez  
Christopher R. Travis  
Christy Simmons  
Glenn Otto  
Gwen Smith  
Ha Nguyen  
Hector Duran  
Ivette Gerhard

Jana Whitworth  
Jayson B. Ruff  
Kevin M. Epstein  
Linda Motton  
Luci Johnson-Davis  
Millie Aponte Sall  
Rajalakshmi Krishnan  
Samantha Chilton  
Susan B. Hersh  
Vianey Garza  
Yasmine Rivera

**Schedule 2**

**Engagements with Potential Parties in Interest**

**Schedule 2****Engagements with Potential Parties in Interest****Current Clients**


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ACE American Insurance Company	Fedex
Adobe Systems, Inc.	Fidelity Investments
AIG Specialty Insurance Co.	Fidelity Management Trust Company
Allied World Assurance Co (U.S.) Inc.	Florida Power & Light Company
American Express Travel Related Services Company, Inc C/O Global Corporate Payments US	Florida Power and Light
American International Group, Inc	FPL - Florida Power & Light Company
AMEX Travel Related Services Company, Inc	Glenn Agre Bergman & Fuentes LLP
APS	Golub Capital LLC
AR Global Investments	Google, Inc.
Arch Insurance Company	Great American Insurance Co.
Arizona Public Service Company	Hartford Fire Insurance Company
Bank of America	Hines
Baltimore Gas & Electric Company	Houlihan Lokey
Berkshire Hathaway Specialty Insurance Company	Hudson Insurance Group
BGE	Hunton Andrews Kurth LLP
BRG	JP Morgan Chase
Brookfield	JP Morgan Chase & Co.
Broward County, Florida	JP Morgan Chase Bank, N.A.
CFC Underwriting Limited (Lloyds of London)	JPMorgan Chase Bank, N.A. as Collateral Agent
Charter Communications	JPMorgan Chase Bank, N.A. Regent Holding Company, LLC
Chubb	Kimco
Cigna Health and Life Insurance Company	Latham & Watkins LLP
Cigna Life Insurance Company of New York	Level 3 Communications LLC
Citibank, N.A.	Lloyd's Insurance Company
City of Atlanta	Loomis Sayles And Co LP
City of Little Rock	Marriott
City of Los Angeles, The	National Union Fire Insurance Company of Pittsburgh, PA
Commonwealth of Massachusetts	Navigators Insurance Company
Con Edison	Nevada Power Company DBA NV Energy
conEdison	New York Life Insurance Company
Crum & Forster Specialty Insurance Co	Pacific Gas & Electric
Devlin Law Firm LLC	Paul Hastings
Endurance American Insurance Company	PECO Energy Company
Endurance Assurance Corporation	PEPCO (Potomac Electric Power Company)
Entergy Arkansas, Inc.	PGIM Real Estate
Ernst & Young LLP	Potomac Electric Power Company
Eversource Energy	Principal Life Ins. Co - 431110 (Mid-America)
Federal Insurance Company	Prologis, L.P. dba Duke Secured Financing Rhode Island, State of

**Schedule 2**

**Engagements with Potential Parties in Interest**

Salesforce.com, Inc.	Travelers-Travelers Casualty and Surety Company
Sheppard, Mullin, Richter & Hampton, LLP	United HealthCare Services, Inc.
Sidley Austin LLP	UnitedHealthcare
Sills Cummis & Gross	Washington Prime
Simpson Thacher & Bartlett	Wells Fargo
Southern California Edison	Wells Fargo Bank, N.A.
Southern California Edison Company	Wex Inc.
Southwest Gas Corporation	Wilshire Law Firm
The Container Store, Inc.	Xcel Energy
The Continental Insurance Company	XL Insurance America, Inc.
Tishman Speyer	
Travelers Casualty and Surety Company of America	
Travelers Property Casualty Co.	

**Former Clients**

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Acadia Realty	PREIT
Beyond, Inc.	RxBenefits, Inc.
Columbia Gas	Suffolk Construction
Delmarva Power and Light Company	Tampa Electric Company
Direct Energy	Taubman
DTE Energy	Teco Tampa Electric Company
Eclipse Business Capital LLC	TIAA
Greenhill	UKG Inc.
Manhattan Associates, Inc.	XPO Logistics, LLC

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

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

**ORDER (I) AUTHORIZING THE DEBTORS TO (A) EMPLOY AND RETAIN  
FTI CONSULTING, INC. AS FINANCIAL ADVISOR, (B) DESIGNATE  
CHAD E. COBEN TO SERVE AS CHIEF RESTRUCTURING OFFICER,  
AND (C) PROVIDE ADDITIONAL PERSONNEL FOR DEBTORS, EFFECTIVE  
AS OF THE PETITION DATE; AND (II) GRANTING RELATED RELIEF**

[Relates to Docket No.     ]

Upon the Application (the “*Application*”)<sup>2</sup> of the debtors in possession in the above captioned cases (collectively, the “*Debtors*”) for entry of an order (this “*Order*”), (a) authorizing the Debtors to (i) employ and retain FTI Consulting, Inc. (“*FTI*”) as financial advisor and to provide the Debtors with a Chief Restructuring Officer (the “*CRO*”) as well as additional supportive staff to assist the CRO (“*Hourly Temporary Staff*”) and (ii) designate Chad E. Coben as the Debtors’ CRO (together with the Hourly Temporary Staff, collectively the “*FTI Professionals*”) pursuant to the terms of the engagement letter by and among the Debtors and FTI, dated as of December 18, 2024 (the “*Engagement Letter*”), effective as of the Petition Date (as defined below) and (b) granting related relief., as more fully described in the Application; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to

<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 otherwise defined herein shall have the meanings given to them in the Application.

28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having found that it may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of the chapter 11 cases being proper in this district pursuant to 28 U.S.C. § 1408; and due and proper notice of the Application having been provided to the Notice Parties, such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Application; and the Court having determined that the legal and factual bases set forth in the Application and the Coben Declaration establish just cause for the relief granted herein; and this Court being satisfied, based on the representations made in the Application and the Coben Declaration, that FTI is “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and as required under section 327(a) of the Bankruptcy Code, and that FTI does not hold or represent an interest adverse to the Debtors’ estates; and this Court having found that the terms and conditions of FTI’s employment, including the Fee and Expense Structure set forth in the Engagement Letter (as modified by this Order) and summarized in the Application, are reasonable as required by section 328(a) of the Bankruptcy Code; and this Court having found that the relief requested in the Application is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and all objections and reservations of rights filed or asserted in respect of the Application, if any, having been withdrawn, resolved, or overruled; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

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

1. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, Bankruptcy Local Rules 2014-1 and 2016-1, and the Complex Case Procedures,

the Debtors are authorized to (a) employ and retain FTI as financial advisor, (b) designate Chad E. Coben as the CRO of the Debtors, and (c) provide additional FTI Professionals for the Debtors, effective as of the Petition Date, in accordance with the terms and conditions set forth in the Engagement Letter, as modified by this Order.

2. The terms of the Engagement Letter, including the compensation provisions and the Indemnification Provisions, as modified by this Order, are reasonable terms and conditions of employment and are hereby approved as set forth herein; *provided, however*, that, for the avoidance of doubt, nothing in this Order shall constitute any findings regarding, or the approval or any determination with respect to, the reasonableness of any Completion Fee.

3. Upon employment and retention by the Debtors, Mr. Coben shall be empowered and authorized to carry out all duties and responsibilities set forth in the Engagement Letter.

4. Notwithstanding anything in the Application, the Engagement Letter, the Coben Declaration, or any exhibit(s) related to the contrary:

- (a) FTI and its affiliates shall not act in any other capacity (for example, and without limitation, as an investor/acquirer) in connection with the above-captioned chapter 11 cases.
- (b) In the event the Debtors seek to have FTI Professionals assume executive officer positions that are different than the position(s) disclosed in the Application, or to materially change the terms of the engagement by either (i) materially modifying the functions of personnel or (ii) altering or expanding the scope of the engagement, an application to modify the retention shall be filed with this Court.
- (c) During the course of these chapter 11 cases, FTI will only seek reimbursement of actual and necessary expenses.
- (d) No principal, employee, or independent contractor of FTI and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of these chapter 11 cases.
- (e) Any success fees, transaction fees, or other back-end fees shall be subject to approval by this Court at the conclusion of these chapter 11 cases on a reasonableness standard and are not being pre-approved by entry of this

Order. The rights of the U.S. Trustee, any statutory committee appointed in these chapter 11 cases, and all other parties in interest to object to any such fees, including the Completion Fee, on any grounds, are fully preserved.

- (f) The Debtors are permitted to indemnify those persons serving as corporate officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' directors and officers insurance policy, except to the extent a claim or expense is judicially determined to have arisen from gross negligence, willful misconduct, bad faith, fraud, or self-dealing.
- (g) There shall be no indemnification of FTI or its affiliates, except as may be provided for in this Order.
- (h) For a period of three years after the conclusion of the engagement, neither FTI nor any of its affiliates shall make any investments in the Debtors or the reorganized Debtors.
- (i) FTI Professionals serving as corporate officers of the Debtors shall be subject to the same fiduciary duties and obligations applicable to other persons serving in such capacity.
- (j) FTI shall make appropriate disclosures of any and all facts that may have a bearing on whether FTI, its affiliates, or any individuals working on the engagement hold/represent any interest adverse to, the Debtors, their creditors, or other parties in interest. The obligation to disclose identified in this subparagraph is a continuing obligation.

5. FTI is authorized to apply the Cash on Account and/or advanced payments to satisfy any unbilled or other remaining prepetition fees and expenses that FTI becomes aware of during its ordinary course billing review and reconciliation. Any remaining Cash on Account and/or advanced payments shall be treated as an evergreen retainer, held by FTI, and applied against any amounts owed by the Debtors and approved by the Court in FTI's final fee application. After payment of FTI's fees approved in its final fee application, FTI shall remit any remaining funds in the Cash on Account to the Debtors or as otherwise directed by the Court.

6. Notwithstanding anything in the Application or the Engagement Letter to the contrary, FTI shall (a) pass through the cost of Contractors to the Debtors at the same rate that FTI



pays the Contractors, (b) with respect to costs incurred by the Contractors, seek reimbursement for actual, reasonable, and documented costs only, (c) ensure that the Contractors are subject to the same conflict checks as were required for FTI in accordance with this retention, and (d) file with the Court such disclosures as are required by Bankruptcy Rule 2014.

7. FTI shall file monthly, interim, and final fee applications for allowance of compensation for services rendered and reimbursement of expenses incurred in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable orders and procedures of this Court. For billing purposes, the CRO and FTI Professionals shall keep their time in one tenth (0.10) hour increments.

8. In the event that, during the pendency of these chapter 11 cases, FTI seeks reimbursement for any attorneys' fees and/or expenses, the invoices and supporting time records from such attorneys shall be included in FTI's fee applications and such invoices and time records shall be in compliance with the Bankruptcy Local Rules and subject to approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such professional has been retained under section 327 of the Bankruptcy Code; *provided, however*, that FTI shall not seek reimbursement from the Debtors' estates for any fees incurred in defending any of FTI's fee applications in these chapter 11 cases.

9. FTI shall provide ten (10) days' notice to the Debtors, the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases before any increases in the hourly rates set forth in the Application or the Engagement Letter are charged to the Debtors. The U.S. Trustee retains all rights to object to any rate increase on all grounds, including the reasonableness standard

set forth in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

10. To the extent there is any inconsistency between the terms of the Engagement Letter, the Application, the Coben Declaration and this Order, the terms of this Order shall govern.

11. FTI shall use its reasonable efforts to avoid any unnecessary duplication of services provided by any retained professionals in these chapter 11 cases.

12. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and the requirements of the Bankruptcy Local Rules are satisfied by such notice.

13. The Engagement Letter's Indemnification Provisions are approved and subject to the following during the pendency of these chapter 11 cases:

- (a) Subject to the provisions of subparagraphs (b) and (c) below and except with respect to any officers provided by FTI to the Debtors, the Debtors are authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with the services to be provided by FTI as specified in the Application, but not for any claim arising from, related to, or in connection with FTI's performance of any other services other than those in connection with the engagement, unless such services and indemnification therefor are approved by this Court; and
- (b) The Debtors shall not have any obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's gross negligence, willful misconduct, bad faith, or fraud, unless the Court determines that indemnification would be permissible pursuant to applicable law, or (ii) settled prior to a judicial determination as to FTI's gross negligence, willful misconduct, bad faith, or fraud, but determined by this Court, after notice and a hearing, to be a claim or expense for which FTI is not entitled to receive indemnity; and
- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these chapter 11 cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under the Application, including, without limitation, the advancement of defense

costs, FTI must file an application in this Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify FTI. All parties in interest shall retain the right to object to any demand by FTI for indemnification.

14. To the extent the Debtors and FTI enter into any supplemental agreements or engagement letters not otherwise contemplated by the Application (collectively, "***Expanded Retention Documents***"), the Debtors will file such Expanded Retention Documents with the Court and serve such Expanded Retention Documents upon the U.S. Trustee and any official committee appointed in the Debtors' chapter 11 cases. If no objection is filed and served on the Debtors within fourteen (14) days after such Expanded Retention Documents are served, the Court may enter an order approving FTI's retention under such Expanded Retention Documents. To the extent any of such party objects within ten (10) days of such Expanded Retention Documents being served, the Debtors will promptly schedule a hearing before the Court on such matter. The Expanded Retention Documents will not be effective unless and until they are approved by the Court. All additional services shall be subject to the provisions of this Order.

15. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

17. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

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

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