

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)
Reorganized Debtors.¹ : (Jointly Administered)
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**REORGANIZED DEBTORS’ MOTION FOR ENTRY OF
FINAL DECREE CLOSING CERTAIN OF THE CHAPTER 11 CASES**

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

The above-captioned reorganized debtors (collectively, the “*Debtors*” or “*Reorganized Debtors*,” as applicable) respectfully state the following in support of this motion (the “*Motion*”):

RELIEF REQUESTED

1. The Chapter 11 Cases (as defined below), other than the case of The Container Store Group, Inc. (the “*Remaining Debtor*”), *In re The Container Store Group, Inc.*, No. 24-90627 (the “*Remaining Case*”), have been fully administered. Leaving the other cases open would impose significant costs on the Reorganized Debtors. Accordingly, the Reorganized Debtors

¹ The Reorganized Debtors in these cases, together with the last four digits of each Reorganized 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 Reorganized Debtors’ mailing address is 500 Freeport Parkway, Coppell, TX 75019.



request entry of a final decree, substantially in the form attached hereto (the “*Final Decree*”), closing certain of the Reorganized Debtors’ Chapter 11 Cases.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Southern District of Texas (the “*Court*”) has jurisdiction to consider this Motion under 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157, and this Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are section 350(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “*Bankruptcy Code*”), Rule 3022 of the Federal Rules of Bankruptcy Procedures (the “*Bankruptcy Rules*”), Rule 9013-1(i) of the Bankruptcy Local Rules for the Southern District of Texas (the “*Bankruptcy Local Rules*”), and the Procedures for Complex Cases in the Southern District of Texas.

BACKGROUND

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

5. On the Petition Date, the Court entered an order [Docket No. 36] pursuant to Bankruptcy Rule 1015(b) ordering joint administration of these Chapter 11 Cases and consolidation for procedural purposes only, including the Remaining Case. The Reorganized Debtors’ Chapter 11 Cases (other than the Remaining Case) (collectively, the “*Affiliate Cases*” for the “*Affiliate Debtors*”) are as follows:

- The Container Store, Inc., Case No. 24-90626
- C Studio Manufacturing Inc., Case No. 24-90628
- C Studio Manufacturing LLC, Case No. 24-90629
- TCS Gift Card Services, LLC, Case No. 24-90630

6. On January 24, 2025, the Court entered the *Order (I) Approving Debtors' Disclosure Statement and (II) Confirming First Amended Prepackaged Joint Plan of Reorganization of The Container Store Group, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 181] (the “**Confirmation Order**”) confirming the *First Amended Prepackaged Joint Plan of Reorganization of the Container Store Group, Inc. and its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* [Docket No. 165] (as may be modified, amended, or supplemented from time to time, the “**Plan**”).

7. On January 28, 2025, the Plan was substantially consummated and the Effective Date (as defined in the Plan) occurred.²

8. Pursuant to the Confirmation Order and the Plan, each of the professionals retained during the Chapter 11 Cases must file a final fee application (collectively, the “**Fee Applications**”) no later than 30 days after the Effective Date.

9. Following the Effective Date, in accordance with the Confirmation Order and the Plan, the Reorganized Debtors may be required to reconcile filed proofs of claim or other requests for payment with the Reorganized Debtors' books and records (the “**Claims Reconciliation**”).

10. Finally, certain matters or proceedings may arise from time to time in respect of the Affiliate Cases, including any miscellaneous motions, applications, pleadings, or objections (together with the Claims Reconciliation and the Fee Applications, the “**Remaining Matters**”).

² See *Notice of (I) Entry of Combined Order, (II) Occurrence of Effective Date, and (III) Rejection Damages Claims Bar Date* [Docket No. 200].

BASIS FOR RELIEF

11. Section 350(a) of the Bankruptcy Code provides that “[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case.” Bankruptcy Rule 3022, which implements section 350 of the Bankruptcy Code, further provides that “[a]fter an estate is fully administered in a chapter 11 reorganization case, the court, on its own motion or on motion of a party in interest, shall enter a final decree closing the case.” Fed. R. Bankr. P. 3022.

12. The term “fully administered” is not defined in the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Local Rules. *In re JCP Props. Ltd.*, 540 B.R. 596, 605 (Bankr. S.D. Tex. 2015) (citing *In re SLI, Inc.*, No. 02-12608, 2005 WL 1668396, at *1 (Bankr. D. Del. June 24, 2005)). The Advisory Committee Note to Bankruptcy Rule 3022 (the “**Advisory Committee Note**”), however, sets forth the following non-exclusive factors to be considered in determining whether a case has been fully administered:

- a. whether the order confirming the plan has become final;
- b. whether deposits required by the plan have been distributed;
- c. whether the property proposed by the plan to be transferred has been transferred;
- d. whether the debtor or the successor of the debtor under the plan has assumed the business or the management of the property dealt with by the plan;
- e. whether payouts under the plan have commenced; and
- f. whether all motions, contested matters, and adversary proceedings have been finally resolved.

Fed. R. Bankr. P. 3022, Advisory Committee Note (1991). Courts look “to the advisory committee’s notes on Bankruptcy Rule 3022 in seeking guidance as to the meaning of ‘fully administered.’” *See, e.g., JCP Props.*, 540 B.R. at 605 (observing that factors (3)-(5) correspond “to whether substantial consummation” of the chapter 11 plan has been achieved); *In re Valence*

Tech., Inc., No. 12-11580-CAG, 2014 WL 5320632, at *1 (Bankr. W.D. Tex. Oct. 17, 2014); *SLI, Inc.*, 2005 WL 1668396, at *2; *In re Kliegl Bros. Universal Elec. Stage Lighting Co., Inc.*, 238 B.R. 531, 542 (Bankr. E.D.N.Y. 1999). Not all of the factors need to be present for the Court to enter a final decree. *See Valence Tech.*, 2014 WL 5320632, at *3 (noting that the six Advisory Committee Note factors “are not exhaustive nor must all six be present to establish that a case should be closed”) (citing cases).

13. Here, the majority of the foregoing factors weigh strongly in favor of closing the Affiliate Cases. Taking each factor in turn, the Effective Date has occurred, and (a) the Court’s order confirming the Plan is final by virtue of the Confirmation Order entered on January 24, 2025; (b) the distributions and payments required under the Plan have been made or will be made consistent with the timing anticipated under the Plan; (c) property has vested in the Reorganized Debtors under the Plan and any property to be transferred pursuant to the Plan has been transferred; (d) the Reorganized Debtors have assumed management and operation of the reorganized businesses; (e) the Reorganized Debtors have fully paid or have commenced paying administrative and priority claims under the Plan, including to professionals; and (f) other than the Remaining Matters, there are no motions, applications, contested matters, or adversary proceedings remaining.

14. In addition to weighing the six Advisory Committee Note factors for purposes of determining whether a case has been fully administered, courts also consider whether the plan has been substantially consummated. *See JCP Props.*, 540 B.R. at 605 (noting that “substantial consummation is the pivotal question here to determine the propriety of closing the . . . case by Final Decree.”). Section 1101(2) of the Bankruptcy Code defines “substantial consummation” as the: (a) transfer of all or substantially all of the property proposed by the plan to be transferred; (b) assumption by the debtor or by the successor to the debtor under the plan of the business or of

the management of all or substantially all of the property dealt with by the plan; and (c) commencement of distribution under the plan. 11 U.S.C. § 1102(2).

15. Here, as noted above in the discussion of the Advisory Committee Note factors, the Effective Date has occurred and all three elements under the Bankruptcy Code’s definition of “substantial consummation” are present. Therefore, the Plan has been substantially consummated.

16. Additionally, business reasons exist that favor closing the Affiliate Cases. Specifically, until the Affiliates Cases are closed, the Reorganized Debtors will continue to pay fees required by the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) and expend resources complying with various reporting requirements. The Reorganized Debtors are in compliance with all relevant reporting requirements, but closing the Affiliate Cases will allow the Reorganized Debtors and their employees to better focus on running their ordinary course business affairs.

17. Finally, entry of a final decree closing the Affiliate Cases will not adversely affect the substantive rights of any party in interest. *See In re Clayton*, 101 F.3d 697, 1996 WL 661099, at *1 (5th Cir. 1996) (“[E]ntry of a final decree is merely a perfunctory, administrative event and nothing more than a ministerial housekeeping act which was never designed to determine with finality the substantive rights of parties involved in a Chapter 11 case.”) (quoting *Greater Jacksonville Transp. Co. v. Willis (In re Greater Jacksonville Transp. Co.)*, 169 B.R. 221, 224 (Bankr. M.D. Fla. 1994)); *see also In re Gould*, 437 B.R. 34, 38 (Bankr. D. Conn. 2010) (noting that a final decree “simply delineates on the docket that the case is closed; it represents the administrative conclusion of the case for recording keeping purposes.”).

NOTICE

18. Notice of the Motion will be given to: (a) the U.S. Trustee; (b) counsel to the DIP Term Loan Agents; (c) counsel to the DIP ABL Loan Agent; (d) counsel to the Ad Hoc Group and

DIP Lenders; (e) counsel to the Prepetition Term Loan Agent; (f) counsel to the Prepetition ABL Agent; (g) the creditors listed on the Debtors' consolidated list of thirty (30) creditors holding the largest unsecured claims; (h) the United States Attorney for the Southern District of Texas; (i) the Internal Revenue Service; (j) the Securities and Exchange Commission; (k) the state attorneys general for states in which the Debtors conduct business; and (l) 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.

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

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Dated: February 3, 2025
Houston, Texas

Respectfully submitted,

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

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Co-Counsel for the Reorganized Debtors

Certificate of Service

I certify that on February 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

Timothy A. ("Tad") Davidson II

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

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

FINAL DECREE CLOSING CERTAIN OF THE CHAPTER 11 CASES
[Relates to Docket No. ____]

Upon the motion (the “*Motion*”)² of the Reorganized Debtors for entry of a final decree (this “*Final Decree*”) closing certain of the Chapter 11 Cases, all as more fully described in the Motion; and the Court having reviewed the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given under the circumstances and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, overruled; and upon the record herein; and after due deliberation thereon; the Court having determined that there is good and sufficient cause for the relief granted in the Order,

¹ The Reorganized Debtors in these cases, together with the last four digits of each Reorganized 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 Reorganized Debtors’ mailing address is 500 Freeport Parkway, Coppell, TX 75019.

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

It is hereby **ORDERED THAT**:

1. The following Affiliate Cases are hereby closed; provided that this Court retains jurisdiction as provided in the Plan and Confirmation Order:

Debtor	Case No.
The Container Store, Inc.	24-90626
C Studio Manufacturing Inc.	24-90628
C Studio Manufacturing LLC	24-90629
TCS Gift Card Services, LLC	24-90630

2. By no later than the later of (a) twenty-one (21) days after the date of entry of this Final Decree and (b) the date on which such post-confirmation report is otherwise due, the Reorganized Debtors shall file a post-confirmation quarterly report for the last period during which the Affiliate Cases remained open.

3. By no later than the later of (a) thirty (30) days after the date of entry of this Final Decree and (b) the date on which such quarterly fees are otherwise due, the Reorganized Debtors shall pay the appropriate sum of quarterly fees due and payable under 28 U.S.C. § 1930(a)(6)(A) and (B) to the U.S. Trustee. This Court retains jurisdiction to enforce payment of fees assessed under 28 U.S.C. § 1930(a)(6)(A) and (B).

4. The Remaining Case of The Container Store Group, Inc., *In re The Container Store Group, Inc.*, Case No. 24-90627, shall remain open pending the entry of a final decree by this Court closing the Remaining Case.

5. The Remaining Matters, whether or not they pertain to the Remaining Case or Affiliate Cases, including any Claims Reconciliation with respect to claims against the Affiliate Debtors, shall be filed, administered, and adjudicated in the Remaining Case without the need to reopen the Affiliate Cases. Any failure of the Reorganized Debtors or any Entity authorized

pursuant to the Plan, as applicable, to file an objection to any claim or interest in the Affiliate Cases on or prior to entry of this Final Decree shall not constitute allowance of the claim or interest and shall not result in such claim or interest being deemed Allowed against or in any Reorganized Debtor. Any objections to claims against or interests in the Affiliate Debtors may be filed, administered, and adjudicated in the Remaining Case.

6. Entry of this Final Decree is without prejudice to (a) the rights of the Reorganized Debtors or any party in interest to seek to reopen any of the Affiliate Cases for cause pursuant to section 350(b) of the Bankruptcy Code, and (b) the rights of the Reorganized Debtors or any Entity authorized pursuant to the Plan, as applicable, to dispute, in the Bankruptcy Court or any applicable non-bankruptcy forum, any claims that were filed against the Reorganized Debtors in these Chapter 11 Cases as contemplated by the Plan and the Confirmation Order. Notwithstanding anything to the contrary contained in the Plan, any failure of the Reorganized Debtors or any Entity authorized pursuant to the Plan, as applicable, to file an objection to any claim in the Chapter 11 Cases shall not constitute allowance of the claim and shall not result in such claim being deemed Allowed against any Reorganized Debtor.

7. Quarterly disbursements for the Remaining Debtor will be reported pending the entry of a final decree by this Court closing the Remaining Case.

8. Notwithstanding anything to the contrary in this Final Decree, all of the terms and conditions of this Final Decree shall be immediately effective and enforceable.

9. The Reorganized Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Final Decree.

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

Signed: _____

ALFREDO R. PÉREZ
UNITED STATES BANKRUPTCY JUDGE