

ANAGRAM INTERNATIONAL HOLDINGS INC

Form S-4/A

October 04, 2013

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As filed with the Securities and Exchange Commission on October 4, 2013

Registration No. 333-189513

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Amendment No. 2**

**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**Party City Holdings Inc.**

(Exact name of registrant as specified in its charter)

(see table of additional registrant guarantors)

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Delaware (State or other jurisdiction of incorporation or organization)	5900 (Primary Standard Industrial Classification Code Number) 80 Grasslands Road Elmsford, NY 10523 (914) 345-2020	20-1033029 (I.R.S. Employer Identification Number)
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(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

See Table of Additional Registrant Guarantors Continued on the Next Page

Gerald C. Rittenberg

Chief Executive Officer

80 Grasslands Road

Elmsford, NY 10523

(914) 345-2020

(Name, address, including zip code Telephone Number, Including Area Code, of Agent For Service)

*With a copy to:*

Jay J. Kim, Esq.

Ropes & Gray LLP

1211 Avenue of the Americas New York, NY 10036-8704

(212) 596-9000

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the Registration Statement becomes effective.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer    "

Non-accelerated filer    x

Accelerated filer    "

Smaller reporting company    "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

**The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**TABLE OF ADDITIONAL REGISTRANT GUARANTORS**

Exact Name of Registrant as Specified in its Charter	State or Other	Primary Standard	I.R.S. Employer Identification Number
	Jurisdiction of		
	Incorporation or Organization	Industrial Classification Code Number	
Amscan Inc.	New York	5110	13-1771359
Am-Source, LLC	Rhode Island	5900	05-0518427
Anagram Eden Prairie Property Holdings LLC	Delaware	5900	41-1918309
Anagram International Holdings, Inc.	Minnesota	5900	41-1755837
Anagram International, Inc.	Minnesota	5900	41-1372523
iParty Corp.	Delaware	5940	76-0547750
iParty Retail Stores Corp.	Delaware	5940	04-3526277
JCS Packaging, Inc.	New York	5900	13-3431738
M&D Industries, Inc.	Delaware	5900	34-1824829
Party City Corporation	Delaware	5940	22-3033692
SSY Realty Corp.	New York	5900	13-3500756
Trisar, Inc.	California	5900	95-3420659

The address, including zip code, and telephone number, including area code, of each Additional Registrant Guarantor's principal executive offices is: c/o Party City Holdings Inc., 80 Grasslands Road, Elmsford, New York 10523, (914) 345-2020.

The name, address, including zip code and telephone number, including area code, of agent for service for each of the Additional Registrant Guarantors is:

Gerald C. Rittenberg

Chief Executive Officer

80 Grasslands Road

Elmsford, NY 10523

(914) 345-2020

*with a copy to*

Jay J. Kim, Esq.

Ropes & Gray LLP

1211 Avenue of the Americas New York, NY 10036-8704

(212) 596-9000

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**The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED OCTOBER 4, 2013**

**PRELIMINARY PROSPECTUS**

# **PARTY CITY HOLDINGS INC.**

## **OFFER TO EXCHANGE**

**\$700,000,000 aggregate principal amount of its 8.875% Senior Notes due 2020, the issuance of which has been registered under the Securities Act of 1933, as amended,**

**for**

**all of its outstanding 8.875% Senior Notes due 2020**

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, all of our new 8.875% Senior Notes due 2020 (the "exchange notes") for all of our outstanding 8.875% Senior Notes due 2020 (the "outstanding notes" and collectively with the exchange notes, the "notes"). We are also offering the subsidiary guarantees of the exchange notes, which are described in this prospectus. The terms of the exchange notes are substantially identical to the terms of the outstanding notes except that the issuance of the exchange notes has been registered pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"). We will pay interest on the notes on February 1 and August 1 of each year. The notes will mature on August 1, 2020.

The principal features of the exchange offer are as follows:

We will exchange all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer for an equal principal amount of exchange notes.

You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2013, unless extended. We do not currently intend to extend the expiration date.

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The exchange of outstanding notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold except in a transaction registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act.

**You should consider carefully the risk factors beginning on page 17 of this prospectus before participating in the exchange offer.**

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

**Neither the Securities and Exchange Commission ( SEC ) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is \_\_\_\_\_, 2013.**

**You should rely only on the information contained in this prospectus. We have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We are offering to exchange the outstanding notes for the exchange notes only in places where the exchange offer is permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.**

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**This prospectus contains summaries of the terms of several material documents. These summaries include the terms that we believe to be material, but we urge you to review these documents in their entirety. We will provide without charge to each person to whom a copy of this prospectus is delivered, upon written or oral request of that person, a copy of any and all of this information. Written or oral requests should be directed to Michael A. Correale, Chief Financial Officer, 80 Grasslands Road, Elmsford, New York 10523. Our telephone number is (914) 345-2020. You should request this information at least five business days in advance of the date on which you expect to make your decision with respect to the exchange offer. In any event, you must request this information prior to 2013, in order to receive the information prior to the expiration of the exchange offer.**

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**CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS**

From time to time, including in this prospectus and, in particular, the sections captioned Unaudited Pro Forma Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, we make forward-looking statements within the meaning of federal and state securities laws. Disclosures that use words such as the company believes, anticipates, expects, estimates, intends, will, may or plans and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect our current expectations and are based upon data available to us at the time the statements were made. Examples of forward-looking statements include, but are not limited to, statements we make regarding (i) our target percentage for the selection of Amscan merchandise offered in Party City stores, (ii) our belief that our cash generated by operating activities, the remaining funds under our credit facilities and existing cash and cash equivalents will be sufficient to meet our liquidity needs over the next 12 months and (iii) anticipated benefits expected to be realized from recent acquisitions. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. These risks, as well as other risks and uncertainties, are detailed in the sections titled Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. All forward-looking statements in this prospectus are qualified by these cautionary statements and are made only as of the date of this prospectus. Any such forward-looking statements, whether made in this prospectus or elsewhere, should be considered in context with the various disclosures made by us about our business. The following risks related to our business, among others, could cause actual results to differ materially from those described in the forward-looking statements:

our ability to compete effectively in a competitive industry;

fluctuations in commodity prices;

our ability to appropriately respond to changing merchandise trends and consumer preferences;

successful implementation of our store growth strategy;

decreases in our Halloween sales;

disruption to the transportation system or increases in transportation costs;

product recalls or product liability;

economic slowdown affecting consumer spending and general economic conditions;

loss or actions of third party vendors and loss of the right to use licensed material;

disruptions at our manufacturing facilities;



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failure by suppliers or third-party manufacturers to follow acceptable labor practices or to comply with other applicable laws and guidelines;

our international operations subjecting us to additional risks;

potential litigation and claims;

lack of available additional capital;

our inability to retain or hire key personnel;

risks associated with leasing substantial amounts of space;

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failure of existing franchisees to conduct their business in accordance with agreed upon standards;

adequacy of our information systems, order fulfillment and distribution facilities;

our ability to adequately maintain the security of our electronic and other confidential information;

our inability to successfully identify and integrate acquisitions;

adequacy of our intellectual property rights;

adequacy of helium supplies;

risks related to our substantial indebtedness; and

the other factors set forth under Risk Factors.

We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

**MARKET AND INDUSTRY DATA**

Market data used throughout this prospectus is based on the good faith estimates of management, which in turn are based upon management's review of various sources. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We note that our estimates, in particular as they relate to general expectations concerning our industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors in this prospectus.

**USE OF TRADEMARKS**

We own or have rights to trademarks or trade names that we use in conjunction with the operation of our business. In addition, our name, logo and website name and address are our service marks or trademarks. Some of the more important trademarks and service marks that we use include Party City®, The Discount Party Super Store®, and Halloween City®. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this prospectus may be listed without the ®, ® and symbols, but we will assert, to the fullest extent under applicable law, our rights to these trademarks, service marks, trade names and copyrights. This prospectus may also include trademarks, service marks or trade names of other companies. Each trademark, trade name or service mark by any other company appearing in this prospectus belongs to its holder.

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### **SUMMARY**

*This summary contains basic information about us and the exchange offer. Because it is a summary, it does not contain all of the information that may be important to you. You should consider this entire prospectus carefully, including the section entitled Risk Factors and our consolidated financial statements and the related notes included elsewhere in this prospectus, before participating in the exchange offer.*

*As part of the transactions described under The Transactions, on July 27, 2012 PC Merger Sub, Inc. ( Merger Sub ) merged with and into Party City Holdings Inc., with Party City Holdings Inc. being the surviving corporation, which we refer to as the Acquisition. In this prospectus, the terms we, us, our, the Company and other similar terms refer to Party City Holdings Inc. and all its subsidiaries that are consolidated under United States generally accepted accounting principles ( GAAP ). Unless we indicate otherwise or the context otherwise requires, information identified in this prospectus as pro forma gives effect to the consummation of the Transactions as described under The Transactions as if they had occurred on January 1, 2012.*

*Please note that our discussion of certain financial information, specifically net sales, royalties and franchise fees and retail operating expenses, for the year ended December 31, 2012 includes data from the Predecessor period, which covers the period preceding the Acquisition (January 1, 2012 to July 27, 2012) and data from the Successor period, which covers the period following the Acquisition (July 28, 2012 to June 30, 2013), on a combined basis. The Company notes that the change in basis resulting from the Transactions did not impact such financial information and, although this combined basis does not comply with GAAP, we believe it provides a meaningful method of comparison to the other periods presented in this prospectus. The data is being presented for analytical purposes only. Combined operating results (i) have not been prepared on a pro forma basis as if the Acquisition occurred on the first day of the period, (ii) may not reflect the actual results we would have achieved absent the Acquisition and (iii) may not be predictive of future results of operations.*

### **Our Company**

We are a global leader in decorated party supplies. We make it easy and fun to enhance special occasions with a wide assortment of innovative and exciting merchandise at a compelling value. With the 2005 acquisition of Party City Corporation ( Party City ), we created a vertically integrated business combining a leading product design, manufacturing and distribution platform, which constitutes our wholesale business ( Amscan ), with the largest U.S. retailer of party supplies. We believe we have the industry's broadest selection of decorated party supplies, which we distribute to over 100 countries. Our vertically integrated business model and scale differentiate us from most other party supply companies and allow us to capture the manufacturing-to-retail margin on a significant portion of the products sold in our stores. We believe our widely recognized brands, broad product offering, low-cost global sourcing model and category-defining retail concept are significant competitive advantages. We believe these characteristics, combined with our vertical business model and scale, position us for continued organic and acquisition-led growth in the United States and internationally.

Founded in 1947, we started as an importer and wholesaler and have grown to become one of the largest global designers, manufacturers, distributors and retailers of decorated party supplies. Our broad selection of decorated party supplies includes paper and plastic tableware, metallic and latex balloons, novelties, costumes, other garments, stationery and gifts for everyday, themed and seasonal events. Our products are available in over 40,000 retail outlets worldwide, including our own retail network, independent party supply stores, mass merchants, grocery retailers, gift shops, dollar stores and other retailers and distributors throughout the world. We believe that through our extensive offerings, as well as our industry-leading innovation, customer service levels and value, we will continue to win with our customers.

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The acquisition of Party City represented an important step in our evolution. Over the last seven years, we have established the largest network of party supply stores in North America with approximately 1,200 locations consisting of over 850 party superstores (inclusive of approximately 50 iParty Corp. ( iParty ) stores acquired in May 2013 and approximately 215 franchised stores) in the United States and Canada, principally under the Party City banner, and a network of approximately 350 temporary Halloween locations, under the Halloween City banner. We also operate PartyCity.com, our primary e-commerce site. Underscored by our slogan "Nobody Has More Party for Less", we believe we offer a superior one-stop shopping experience with a broad selection, consistently high in-stock positions and compelling value, making us the favored destination for all of our customers' party-supply needs.

Through a combination of organic growth and strategic acquisitions, we increased our consolidated revenues from \$1,560 million in 2008 to \$1,914 million in 2012, representing a compounded annual growth rate of 5.2%.

### **Evolution of Our Business**

Over the last 60 years, we have grown to become a global, vertically integrated designer, manufacturer, distributor and retailer of decorated party supplies. Key strategic initiatives that have been important to our evolution include:

Enhancing our wholesale platform through targeted acquisitions while investing in state-of-the-art distribution facilities and developing a strong Asian-based sourcing and sales organization.

Establishing retail leadership in our industry and our vertically integrated model through the acquisitions of Party City, Party America Corporation ( Party America ), Factory Card & Party Outlet ( FCPO ) and Party City Canada (formerly known as Party Packagers). Following each acquisition, we capitalized on our vertically integrated model by increasing the percentage of the acquired company's total sales that relate to our wholesale products, allowing us to capture the manufacturing-to-retail margin on a growing portion of our retail sales.

Re-launching our e-commerce platform in 2009 provided us with an additional direct-to-consumer channel.

Broadening our product offering and channel reach by acquiring valuable character licenses and costume capabilities in addition to improving our access to grocery and mass merchant retailers.

Growing our international presence by building relationships with local retailers to develop party supply store-in-store concepts as well as targeted acquisitions that extended our geographic reach.

As a result of these investments, we have created a differentiated, vertically integrated business model. We believe that our superior selection of party supplies, scale, innovation and service position us for future growth across all of our channels.

### **Industry Overview**

We operate in the broadly defined \$10 billion retail party goods industry (including decorative paper and plastic tableware, decorations, accessories and balloons), which is supported by a range of suppliers from commodity paper goods producers to party goods specialty retailers. Sales of party goods are fueled by everyday events such as birthdays, baby showers, weddings and anniversaries, as well as seasonal events such as holidays and other special occasions (Halloween, Christmas, New Year's Eve, graduations, Easter, Super Bowl, Fourth of July). As a result of numerous and diverse occasions, the U.S. party goods market enjoys broad demographic appeal. Additionally, we operate in the \$7 billion Halloween market, a portion of which overlaps with the \$10 billion retail party goods industry. The Halloween market includes costumes, candy and makeup.



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The retail landscape is comprised primarily of party superstores, mass merchants, grocery retailers, craft stores and dollar stores. The party superstore has emerged as a preferred destination for party goods shoppers, similar to the dominance of specialty retailers in other categories such as office supplies, pet products and sporting goods. This is typically due to the superstore chain's ability to offer a wider variety of merchandise at more compelling prices in a convenient setting. Other retailers that cater to the party goods market typically offer a limited assortment of party supplies and seasonal items. Mass merchants tend to focus primarily on juvenile and seasonal goods, greeting cards and gift wrap; craft stores on decorations and seasonal merchandise; and dollar stores on general and seasonal party goods items.

The consumable nature and low per-item prices in the party goods market have historically driven demand among consumers seeking to enhance the quality of their gatherings and celebrations. Party goods are an economical means by which to make events and occasions more festive and, as a result, have continued to sell well during economic downturns. Manufacturers and retailers continue to create and market party goods and gifts that celebrate a greater number of events, holidays and occasions. Additionally, the number and types of products offered for each occasion continues to expand, encouraging add-on and impulse purchases by consumers.

### **The Transactions**

On July 27, 2012, affiliates of Thomas H. Lee Partners, L.P. ( THL ) acquired a majority stake in the Company in the Acquisition, valued at approximately \$2.7 billion. To consummate the Acquisition, we entered into new debt financing consisting of (i) \$1,525 million of senior secured credit facilities (the Senior Credit Facilities ) consisting of: (a) a \$400 million revolving credit facility (the ABL Facility ), which had \$115 million drawn at the closing of the Acquisition and (b) a \$1,125 million term loan credit facility (the Term Loan Facility ), and (ii) \$700 million of outstanding notes, which we are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, for all of our exchange notes.

We refer to the Acquisition and the related transactions, including the issuance and sale of the outstanding notes and the borrowings under our Senior Credit Facilities, as the Transactions.

For additional information regarding the Transactions, see Description of Other Indebtedness and Description of Exchange Notes.

### **Risks Related to Our Indebtedness**

We are subject to a number of risks related to our substantial indebtedness. These risks are discussed more fully in the Risk Factors section in this prospectus. In particular:

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the exchange notes;

We have the ability to incur substantially more indebtedness, including senior secured indebtedness;

Restrictions imposed by the indenture governing the notes, and by our Senior Credit Facilities and our other indebtedness, may limit our ability to operate our business and to finance our future operations or capital needs to engage in other business activities;

We may not be able to generate sufficient cash to service all of our indebtedness, including the exchange notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful; and

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Payments on the leases of our company-owned stores, our corporate headquarters and our distribution facilities account for a significant portion of our operating expenses and we expect payment obligations under our leases to account for a significant portion of our future operating expenses.

**Our Sponsors**

THL is one of the world's oldest and most experienced private equity firms. THL invests in growth-oriented companies across three broad sectors: Business & Financial Services, Consumer & Healthcare and Media & Information Services. THL's investment and operating professionals partner with portfolio company management teams to identify and implement business model improvements that accelerate sustainable revenue and profit growth. The firm focuses on global businesses headquartered primarily in North America. Since the firm's founding in 1974, THL has raised approximately \$20 billion of equity capital and invested in more than 100 portfolio companies with an aggregate value of more than \$150 billion. The firm's two most recent private equity funds comprise more than \$14 billion of aggregate committed capital.

As a result of the Transactions, affiliates of THL, together with Advent International (Advent), (each a Sponsor and collectively, the Sponsors) own approximately 93% of our indirect parent's equity, with affiliates of THL owning approximately 69% of our indirect parent's equity.

The Sponsors will not have any obligations under the exchange notes, and the interests of the Sponsors may not in all cases be aligned with your interests as a holder of the exchange notes. For example, the Sponsors may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to you as a holder of the exchange notes.

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**Our Corporate Structure**

Our corporate organizational structure is as follows:

- (1) Primarily includes rollover investors, including Advent, American Greetings Corporation ( American Greetings ) and certain members of management.
- (2) Our foreign subsidiaries do not guarantee the ABL Facility, Term Loan Facility or the outstanding notes.

**Corporate Information**

Party City Holdings Inc. is a Delaware corporation. Our executive offices are located at 80 Grasslands Road, Elmsford, New York 10523 and our telephone number at that location is (914) 345-2020. Our website address is <http://www.partycity.com>. The information on our website is not a part of this prospectus, and you should not rely on it in connection with your decision whether or not to participate in the exchange offer.



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The following table sets forth our ratio of earnings to fixed charges for each of the periods shown.

	<b>Year Ended December 31, 2008</b> (Predecessor)	<b>Year Ended December 31, 2009</b> (Predecessor)	<b>Year Ended December 31, 2010</b> (Predecessor)	<b>Year Ended December 31, 2011</b> (Predecessor)	<b>Period from January 1, 2012 to July 27, 2012</b> (Predecessor)	<b>Period from July 28, 2012 to December 31, 2012</b> (Successor)	<b>Six Months Ended June 30, 2013</b> (Successor)
Ratio of earnings to fixed charges	1.6x	2.2x	1.9x	1.9x	0.8x	0.9x	0.4x

These ratios are computed by dividing the total earnings by the total fixed charges. For purposes of calculating the ratio of earnings to fixed charges, earnings represent pre-tax income from continuing operations plus fixed charges. Fixed charges consist of interest expense on all indebtedness plus amortization of debt issuance costs and the portion of rental expense that we believe is representative of the interest component of rental expense.

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**The Exchange Offer**

*On July 27, 2012, we completed a private offering of the outstanding notes. Concurrently with the private offering, Merger Sub entered into a registration rights agreement (the "Registration Rights Agreement") with Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the several purchasers named in Schedule I to the Purchase Agreement (as defined in the Registration Rights Agreement). Concurrently with the consummation of the Acquisition, the Company and guarantors of the outstanding notes entered into a registration rights agreement joinder pursuant to which the Company and the guarantors assumed all of the rights and obligations of Merger Sub under the Registration Rights Agreement. Pursuant to the Registration Rights Agreement, we agreed, among other things, to file the registration statement of which this prospectus is a part. The following is a summary of the exchange offer. For more information please see "The Exchange Offer." The "Description of Exchange Notes" section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.*

**General**

The form and terms of the exchange notes are the same as the form and terms of the outstanding notes except that:

the issuance and sale of the exchange notes have been registered pursuant to an effective registration statement under the Securities Act; and

the holders of the exchange notes will not be entitled to the liquidation damages provision of the Registration Rights Agreement, which permits an increase in the interest rate on the outstanding notes in some circumstances relating to the timing of the exchange offer. See "The Exchange Offer."

**The Exchange Offer**

We are offering to exchange \$700,000,000 aggregate principal amount of 8.875% Senior Notes due 2020 for all of our outstanding 8.875% Senior Notes due 2020.

The exchange offer will remain in effect for a limited time. We will accept any and all outstanding notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on \_\_\_\_\_, 2013. Holders may tender some or all of their outstanding notes pursuant to the exchange offer. However, outstanding notes may be tendered only in a denomination equal to \$2,000 and any integral multiples of \$1,000 in excess of \$2,000.

**Resale**

Based upon interpretations by the Staff of the SEC set forth in no-action letters issued to unrelated third-parties, we believe that the exchange notes may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, unless you:

are an affiliate of ours within the meaning of Rule 405 under the Securities Act;

are a broker-dealer that purchased the notes directly from us for resale under Rule 144A, Regulation S or any other available exemption under the Securities Act;

acquired the exchange notes other than in the ordinary course of your business;

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have an arrangement with any person to engage in the distribution of the exchange notes;  
or

are prohibited by law or policy of the SEC from participating in the exchange offer.

However, we have not obtained a no-action letter, and there can be no assurance that the SEC will make a similar determination with respect to the exchange offer. Furthermore, in order to participate in the exchange offer, you must make the representations set forth in the letter of transmittal that we are sending you with this prospectus.

**Expiration Date**

The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2013, unless we decide to extend it. We do not currently intend to extend the expiration date.

**Conditions to the Exchange Offer**

The exchange offer is subject to certain customary conditions, some of which may be waived by us. See [The Exchange Offer](#) [Conditions to the Exchange Offer](#).

**Procedures for Tendering Outstanding Notes**

To participate in the exchange offer, you must properly complete and duly execute a letter of transmittal, which accompanies this prospectus, and transmit it, along with all other documents required by such letter of transmittal, to the exchange agent on or before the expiration date at the address provided on the cover page of the letter of transmittal.

In the alternative, you can tender your outstanding notes by following the automatic tender offer program ( [ATOP](#) ), procedures established by The Depository Trust Company ( [DTC](#) ), for tendering notes held in book-entry form, as described in this prospectus, whereby you will agree to be bound by the letter of transmittal and we may enforce the letter of transmittal against you.

If a holder of outstanding notes desires to tender such notes and the holder's outstanding notes are not immediately available, or time will not permit the holder's outstanding notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected pursuant to the guaranteed delivery procedures described in this prospectus.

For more details, please read [The Exchange Offer](#) [Procedures for Tendering](#), [The Exchange Offer](#) [Book-Entry Transfer](#) and [The Exchange Offer](#) [Guaranteed Delivery Procedures](#).

**Special Procedures for Beneficial Owners**

If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those

outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your

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outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

**Withdrawal Rights**

You may withdraw your tender of outstanding notes at any time prior to 5:00 p.m., New York City time, on the expiration date of the exchange offer. Please read The Exchange Offer Withdrawal of Tenders.

**Acceptance of Outstanding Notes and Delivery of Exchange Notes**