

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

In re:))	Chapter 11
))	
ANAGRAM HOLDINGS, LLC, <i>et al.</i> , ¹))	Case No. 23-90901 (MI)
))	
Debtors.))	(Jointly Administered)

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS
TO (A) CONTINUE PREPETITION INSURANCE COVERAGE
AND SATISFY PREPETITION OBLIGATIONS RELATED THERETO,
(B) RENEW, AMEND, SUPPLEMENT, EXTEND, OR PURCHASE INSURANCE
POLICIES, AND (C) MAINTAIN THEIR SURETY BOND PROGRAM, AND
(II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”) (a) authorizing, but not directing, the Debtors to (i) continue prepetition insurance coverage and satisfy prepetition obligations related thereto in the ordinary course of business, (ii) renew, amend, supplement, extend, or purchase insurance coverage in the ordinary course of business on a postpetition basis, in each case under clause (i) and (ii) above, including either directly or indirectly through Party City, and (iii) continue their Surety Bond Program on an uninterrupted basis and satisfy prepetition obligations related thereto in the ordinary course of business, and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Anagram Holdings, LLC (8535); Anagram International, Inc. (2523) and Anagram International Holdings, Inc. (5837). The location of the Debtors’ service address for purposes of these chapter 11 cases is: 7700 Anagram Drive, Eden Prairie, MN 55344. For the avoidance of doubt, the Debtors’ chapter 11 cases are not proposed to be consolidated with the Party City debtors which emerged from chapter 11 cases in this Court on October 12, 2023. *See In re Party City Holdco Inc., et. al.*, Case No. 23-90005 (MI) (Bankr. S.D. Tex). Any reference herein to the Debtors does not include the debtor-entities that were administered in the Party City chapter 11 cases.

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



jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The final hearing on the Motion shall be on [___], 2023, at [___]:[___].m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on [___], 2023. If no objections to entry of the final order on the Motion are timely received, the Court may enter such final order without need for the final hearing.

2. The Debtors are authorized, but not directed, to continue, renew, amend, supplement, discontinue and/or extend (including, in each case, through Party City) on a postpetition basis during these chapter 11 cases and without the need for further Court approval the Insurance Policies and Insurance Program, including, without limitation, the Insurance Policies identified on **Schedule A**, and any related agreements, in each case, in the ordinary course of business; *provided* that the Debtors will, on a confidential basis, notify the U.S. Trustee, any

statutory committee appointed in these cases, and the advisors to the Ad Hoc Group if the Debtors increase or decrease existing coverage, change carriers, enter into any premium financing agreements, or purchase additional coverage. The Debtors are authorized, but not directed, to pay any outstanding prepetition amounts relating thereto, including premium payments and administrative fees, in an aggregate amount not to exceed \$110,000.

3. The Debtors are not authorized hereunder to pay any prepetition obligations owing to a non-Debtor affiliate; *provided* that all rights of setoff (and defenses thereto) are fully preserved.

4. The Debtors are authorized, but not directed, to purchase new insurance policies, execute other agreements in connection therewith and pay any insurance premiums or other amounts and perform other obligations pursuant thereto or in connection therewith.

5. Nothing herein shall prejudice the Debtors' ability to seek a further order from this Court authorizing the Debtors to exceed the aggregate amounts as set forth herein during the interim period.

6. The Debtors are authorized, but not directed, to maintain the Surety Bond Program without interruption, including, without limitation, payment of the Surety Premiums and any prepetition or postpetition obligations related to the Surety Bond Program, in each case, in the ordinary course of business.

7. The Debtors are authorized, but not directed, to renew, amend, supplement, and/or extend the Surety Bonds, or to purchase new Surety Bonds, and to execute other agreements, such as letters of credit, in connection with the Surety Bond Program, in each case, in the ordinary course of business.

8. Notwithstanding the relief granted herein or any actions taken hereunder, nothing

contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Policies are owed.

9. The Debtors are not authorized by this Interim Order to take any action with respect to a Surety Bond that would have the effect of transforming a prepetition undersecured or unsecured surety bond to a postpetition or secured obligation. Such relief may be sought by separate motion.

10. Except as expressly set forth herein, to the extent any surety bond or any related agreement is deemed an executory contract within the meaning of section 365 of the Bankruptcy Code, neither this Interim Order nor any payments made in accordance with this Interim Order shall constitute the assumption or postpetition reaffirmation of any such surety bond or related agreement under section 365 of the Bankruptcy Code.

11. The banks and financial institutions on which checks were drawn or electronic fund transfer requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic fund transfer requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic fund transfer requests as approved by this Interim Order.

12. The Debtors are authorized, but not directed, to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

13. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Interim Order that includes the following information: (a) the names of the payees; (b) the date of

payment; (c) the amount of payment; (d) the category or type of payment; and (e) the Debtor or Debtors that made the payment. The Debtors shall provide, on a confidential basis, a copy of such matrix/schedule to the advisors to the U.S. Trustee, any statutory committee appointed in these cases, and the advisors to the Ad Hoc Group by the last day of each calendar month.

14. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in the Motion or this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

15. Notwithstanding the relief granted in the Motion or this Interim Order, any payment made or to be made by the Debtors pursuant to the authority granted herein, and any relief or authorization granted herein, shall be subject to and in compliance with each interim and final

order entered by the Court in respect of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens And Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, filed substantially contemporaneously herewith (collectively, such interim and final orders, the "DIP Order"), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order, the DIP Notes Documents (as defined in the DIP Order), or the DIP ABL Agreement (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Interim Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

16. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

17. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

18. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

19. The Debtors are authorized, but not directed, to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

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

Houston, Texas

Dated: _____, 2023

UNITED STATES BANKRUPTCY JUDGE

Schedule A
Insurance Policies¹

Type of Insurance	Carrier	Policy Number	Policy Term Date
General Liability	Travelers	T2NJEXGL-824K2766-TIL-22	12/1/22 - 12/1/23
Auto Liability	Travelers	TJCAP-824K2754-TIL-22	12/1/22 - 12/1/23
Workers' Compensation (Other States)	Travelers	UB-0R661932-22-51-K	12/1/22 - 12/1/23
Workers' Compensation (AZ, MA, WI)	Travelers	UB-0R641030-22-51-R	12/1/22 - 12/1/23
Umbrella	Travelers	CUP-2W226283-22-NF	12/1/22 - 12/1/23
Excess Liability	Navigators	NY22RXSZ09WEPIV	12/1/22 - 12/1/23
Excess Liability	Allianz	USL003107223	12/1/22 - 12/1/23
Excess Liability	AXA XL	US00064480LI22A	12/1/22 - 12/1/23
Excess Liability	Liberty Mutual	ECO (23) 64062528	12/1/22 - 12/1/23
Excess Liability	Steadfast	IPR 379 2420-03	12/1/22 - 12/1/23
Foreign Liability	Chubb	CXC D37914563 009	12/1/22 - 12/1/23
Punitive Damages Wrap (Umbrella)	Travelers	PDW-2W226283-22-NF	12/1/22 - 12/1/23
Punitive Damages Wrap	Magna Carta	MCNA209681	12/1/22 - 12/1/23
Punitive Damages Wrap	Allianz	GBL003391222	12/1/22 - 12/1/23
Punitive Damages Wrap	AXA XL	BM00038448LI22A	12/1/22 - 12/1/23
Punitive Damages Wrap	Magna Carta	MCLI209648	12/1/22 - 12/1/23
Punitive Damages Wrap	Hanseatic	HIPD205430	12/1/22 - 12/1/23
International Package	Chubb	CXC D37914563 009	12/1/22 - 12/1/23
Franchisors Errors & Omissions	CNA	652055472	12/1/22 - 12/1/23
Business Travel Accident	AIG	MTA 0009156527	12/1/22 - 12/1/23
Excess Earthquake (CA)	North Shore	NSM42288	12/1/22 - 12/1/23
Inland Marine (Trailers)	CNA	6079731565	12/1/22 - 12/1/23
Inland Marine (Forklifts)	Chubb	0670-40-02 EUC	12/1/22 - 12/1/23
Ocean Cargo	Travelers	CUP-2W226283-22-NF	2/26/23 - 2/26/24
Terrorism (Active Assailant)	Lloyds	B080114970L22	12/1/22 - 12/1/23
Terrorism	Lloyds	B080116554L22	12/1/22 - 12/1/23
Strikes, Riots, Civil Commotion	Lloyds	B0621MPART000323	12/1/22 - 12/1/23
Global Property	Zurich	PPR-0920886-01	12/1/22 - 12/1/23
Global Property	Lex London	B080118709U22	12/1/22 - 12/1/23
Global Property	Beazley	W2D8C0220301	12/1/22 - 12/1/23
Global Property	Allianz	USP00140022	12/1/22 - 12/1/23
Property	Starr	SLSTPTY11712822	12/1/22 - 12/1/23
Excess Property	Westfield	XAR-00004FN-01	12/1/22 - 12/1/23
Excess Property	ARK2	B080122646U22	12/1/22 - 12/1/23
Excess Property	Zurich	PPR-0920886-01	12/1/22 - 12/1/23
Excess Property	Fidelis	B080122647U22	12/1/22 - 12/1/23
Excess Property	CORE	O84815220CSP	12/1/22 - 12/1/23
Excess Property	Markel	MLKV1XPR000505	12/1/22 - 12/1/23
Excess Property	RSUI	LHD928391	12/1/22 - 12/1/23

¹ The Debtors request authority to honor existing Insurance Policies and renew Insurance Policies, as applicable, regardless of whether the Debtors inadvertently failed to include a particular Insurance Policy on this exhibit.

Type of Insurance	Carrier	Policy Number	Policy Term Date
Excess Property	Axis	EAF659176-22	12/1/22 - 12/1/23
Excess Property	Aspen	PX00Q5K22A	12/1/22 - 12/1/23
Excess Property	Partner Re	B080122647U22	12/1/22 - 12/1/23
Excess Property	Starr	22SLCFM11587901	12/1/22 - 12/1/23
Excess Property	Hallmark	73PRX22B09D	12/1/22 - 12/1/23
Excess Property	Munich Re	78-A3-XP-0000875-01	12/1/22 - 12/1/23
Excess Property	Mitsui	EXP001002	12/1/22 - 12/1/23
Excess Property	Atrium	B080122645U22	12/1/22 - 12/1/23
Crime	Beazley	V25943220501	12/31/22 - 12/1/23
Primary Cyber Liability	Beazley Ins Co	W35B78230101	9/16/23 - 9/16/24
Excess Cyber Liability	Axa XL	MTE9032511 08	9/16/23 - 9/16/24
Excess Cyber Liability	Arch Insurance Company	NPL0067050-02	9/16/23 - 9/16/24
Excess Cyber Liability	Steadfast Insurance Company	SPR 3305134 - 01	9/16/23 - 9/16/24
Excess Cyber Liability	Crum & Forster Specialty Insurance Co.	XEO 00 001 01 16	9/16/23 - 9/16/24
Excess Cyber Liability	AXIS Surplus Insurance Company	P-001-001263034-01	9/16/23 - 9/16/24
EPL	Chubb	8264-0322	10/12/23-10/12/24
Excess EPL	AIG	01-588-54-48	10/12/23-10/12/24
Fiduciary	Chubb	8264-0322	10/12/23-10/12/24
D&O Primary	Chubb	8264-0322	10/12/23-10/12/24
D&O 1 st Excess	AIG	01-588-54-48	10/12/23-10/12/24
D&O Excess ABC	Zurich	DOC 5690289-00	10/12/23-10/12/24
D&O Lead Side-A	Berkley	BPRO8099529	10/12/23-10/12/24
D&O Excess Side-A	Berkshire	47-EMC-331550-01	10/12/23-10/12/24
Excess – Arch Essential Lead Side A DIC	Arch Insurance	ABL1000146-00	10/12/23-10/12/24
D&O Excess	QBE Insurance	130005785	10/12/23-10/12/24
D&O Excess Side-A	Axa XL	ELU193195-23	10/12/23-10/12/24

Trustee, any statutory committee appointed in these cases, and the advisors to the Ad Hoc Group if the Debtors increase or decrease existing coverage, change carriers, enter into any premium financing agreements, or purchase additional coverage. The Debtors are authorized, but not directed, to pay any outstanding prepetition amounts relating thereto, including ~~Insurance Reimbursement~~ premium ~~Payments, Premiums~~ and administrative fees, in an aggregate amount not to exceed \$110,000.

3. The Debtors are not authorized hereunder to pay any prepetition obligations owing to a non-Debtor affiliate; provided that all rights of setoff (and defenses thereto) are fully preserved.

34. The Debtors are authorized, but not directed, to purchase new insurance policies, execute other agreements in connection therewith and pay any insurance premiums or other amounts and perform other obligations pursuant thereto or in connection therewith.

45. Nothing herein shall prejudice the Debtors' ability to seek a further order from this Court authorizing the Debtors to exceed the aggregate amounts as set forth herein during the interim period.

56. The Debtors are authorized, but not directed, to maintain the Surety Bond Program without interruption, including, without limitation, payment of the Surety Premiums and any prepetition or postpetition obligations related to the Surety Bond Program, in each case, in the ordinary course of business.

67. The Debtors are authorized, but not directed, to renew, amend, supplement, and/or extend the Surety Bonds, or to purchase new Surety Bonds, and to execute other agreements, such as letters of credit, in connection with the Surety Bond Program, in each case, in the ordinary course of business.

~~7~~8. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Interim Order shall create any rights in favor of, or enhance the status of any claim held by, any person to whom any obligations under the Insurance Policies are owed.

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~~10~~11. The banks and financial institutions on which checks were drawn or electronic fund transfer requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic fund transfer requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic fund transfer requests as approved by this Interim Order.

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Interim Order that includes the following information: (a) the names of the payees; (b) the date of payment; (c) the amount of payment; (d) the category or type of payment; and (e) the Debtor or Debtors that made the payment. The Debtors shall provide, on a confidential basis, a copy of such matrix/schedule to the advisors to the U.S. Trustee, any statutory committee appointed in these cases, and the advisors to the Ad Hoc Group by the last day of each calendar month.

~~13~~14. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in the Motion or this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in this motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

~~14~~15. Notwithstanding the relief granted in the Motion or this Interim Order, any payment made or to be made by the Debtors pursuant to the authority granted herein, and any

relief or authorization granted herein, shall be subject to and in compliance with each interim and final order entered by the Court in respect of the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Use Cash Collateral, and (C) Grant Liens And Superpriority Administrative Expense Claims, (II) Granting Adequate Protection to Certain Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, filed substantially contemporaneously herewith (collectively, such interim and final orders, the "DIP Order"), including compliance with any budget or cash flow forecast in connection therewith and any other terms and conditions thereof. Nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the DIP Order, the DIP Notes Documents (as defined in the DIP Order), or the DIP ABL Agreement (as defined in the DIP Order). To the extent there is any inconsistency between the terms of the DIP Order and the terms of this Interim Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

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