



the stalking horse bidder (the “Stalking Horse Bidder”) and offer to such bidder of certain bid protections identified in the Motion and the Bidding Procedures; (c) setting the deadline for potential bidders to submit a proposal to purchase the assets; (d) authorizing and scheduling an auction (the “Auction”); (e) authorizing and scheduling the Sale Hearing; (f) authorizing and approving the form and manner of the Sale Notice; (g) authorizing and approving the Cure Notice to Contract Counterparties regarding the Debtors’ potential assumption and assignment of the Assigned Contracts and of the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “Cure Costs”); and (h) authorizing and approving procedures for the assumption and assignment of the Assigned Contracts and the determination of Cure Costs with respect thereto; (ii) authorizing the sale of the Purchased Assets (as defined and identified in the Stalking Horse Asset Purchase Agreement (“Stalking Horse APA”)), free and clear of all liens, claims, encumbrances, and other interests pursuant to section 363(f) of the Bankruptcy Code following the sale process and completion of the Auction (collectively, the “Sale Transaction”); and (iii) granting related relief. On November 21, 2023, the Bankruptcy Court entered the Bidding Procedures Order (Docket No. 174).

2. On November 24, 2023, the Debtors filed the *Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale* (Docket No. 188) (the “Initial Cure Notice”), which identified contracts to be potentially assumed and assigned to the Stalking Horse Bidder.

3. On December 12, 2023, the Debtors filed the *First Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale* (Docket No. 246), which modified the schedule of Assigned Contracts and Cure Costs attached as Exhibit A to the Initial Cure Notice.

4. On December 18, 2023, the Debtors filed the *Notice of Successful Bidder and Cancellation of Auction* (Docket No. 259) announcing the Stalking Horse Bidder as the Successful Bidder and cancelling the Auction.

5. The Debtors hereby file this *Second Supplemental Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale* to provide notice that certain contracts and leases between the Debtors and Party City identified on **Exhibit A** hereto (collectively, the “Anagram-Party City Contracts”) may be assumed and assigned to the Successful Bidder in connection with the Sale Transaction.

6. On May 24, 2023, Party City filed the *Notice of Rejection of Certain Executory Contracts and/or Unexpired Leases* in the Party City chapter 11 cases (P.C. Docket No. 1207) (the “Rejection Notice”), listing certain of the Anagram-Party City Contracts as contracts to be rejected in the Party City chapter 11 cases. On June 22, 2023, the Debtors objected to the proposed rejection of such Anagram-Party City Contracts (P.C. Docket No. 1329). The Rejection Notice is still pending before the Court in the Party City chapter 11 cases.

7. The Debtors and Party City, however, are currently in negotiations to resolve all issues relating to the Anagram-Party City Contracts, which may include amendments to the Anagram-Party City Contracts. If the Debtors reach an agreement with Party City, the Debtors will file a notice with the Court.

8. Accordingly, the Debtors are not seeking approval of assumption and assignment of the Anagram-Party City Contracts at the Sale Hearing scheduled for December 22, 2023. To the extent that a resolution is not reached, the Debtors may seek the assumption and assignment of the Anagram-Party City Contracts by providing Party City with no less than fifteen (15) days’

notice of a hearing, and an opportunity to object to, the Debtors' assumption of the Anagram-Party City Contracts.

9. All parties' rights with respect to the Anagram-Party City Contracts, including the assumption or rejection thereof, are expressly reserved.

**Additional Information**

10. Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures, and the Stalking Horse APA may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC, located at <https://www.kccllc.net/anagram>.

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Dated: December 18, 2023  
Houston, Texas

Respectfully submitted,

By: /s/ Tom A. Howley

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*Proposed Counsel to the Debtors and the Debtors  
in Possession*

**Certificate of Service**

I hereby certify that on December 18, 2023, 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.

*/s/ Tom A. Howley*

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Tom A. Howley

**Exhibit A**

**Anagram-Party City Contracts**

Case No.: 23-90901

Anagram Holdings, LLC et al.

## Second Supplemental - Potential Assigned Contracts and Proposed Cure Amounts

Case Number	Debtor	Contract Counterparty	Address	Description	Proposed Cure Amount
23-90902	Anagram International, Inc.	Amscan Inc.	80 Grasslands Road Elmsford, NY 10523	Supply Agreement	\$0.00
23-90902	Anagram International, Inc.	Party City Holdings Inc.	80 Grasslands Road Elmsford, NY 10523	Intellectual Property Cross-License Agreement	\$0.00
23-90902	Anagram International, Inc.	Party City Holdings Inc.	80 Grasslands Road Elmsford, NY 10523	Services Agreement	\$0.00
23-90902	Anagram International, Inc.	Party City Holdings Inc.	80 Grasslands Road Elmsford, NY 10523	Spirit Realty, L.P. Sub-Lease for property located at 7700 Anagram Drive   Eden Prairie   MN   55344	\$0.00

**Note:**

1. Each Assigned Contracts identified on this exhibit includes any modifications, amendments, addenda or supplements thereto or restatements thereof. Without limiting the generality of the foregoing, certain amendments that have been executed or agreed upon in connection with the assumption of the relevant Assigned Contracts, or that otherwise are pertinent to the assumption of such agreements, are described above. The Debtors reserve the right to amend, supplement, or modify this Exhibit A, and to add and/or remove any Assigned Contracts listed hereto for potential assumption and assignment to a bidder other than the bidder listed herein.