

PARTY CITY CORP
Form 4
February 18, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
**TENNENBAUM CAPITAL
PARTNERS LLC**

(Last) (First) (Middle)

2951 28TH ST., SUITE 1000

(Street)

SANTA MONICA, CA 90405

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
PARTY CITY CORP [PCTY]

3. Date of Earliest Transaction
(Month/Day/Year)
02/16/2005

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____ Form filed by One Reporting Person
__X__ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/16/2005		P	101,700 A	\$ 11.6546	5,649,481 I	See Footnotes (1) (2) (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
number.**

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: PARTY CITY CORP - Form 4

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TENNENBAUM CAPITAL PARTNERS LLC 2951 28TH ST. SUITE 1000 SANTA MONICA, CA 90405		X		
TENNENBAUM & CO LLC 2951 28TH ST. SUITE 1000 SANTA MONICA, CA 90405		X		
SVAR MM LLC 2951 28TH ST. SUITE 1000 SANTA MONICA, CA 90405		X		
SVIM MSM LLC 2951 28TH ST. SUITE 1000 SANTA MONICA, CA 90405		X		

Signatures

/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC, in its capacity as Managing Member of Tennenbaum Capital Partners, LLC	02/18/2005
__Signature of Reporting Person	Date
/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC	02/18/2005
__Signature of Reporting Person	Date
/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC, in its capacity as Managing Member of Tennenbaum Capital Partners, LLC, in its capacity as Managing Member of SVAR/MM, LLC	02/18/2005

Edgar Filing: PARTY CITY CORP - Form 4

__Signature of Reporting Person

Date

/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC, in its capacity as Managing Member of SVIM/MSM, LLC

02/18/2005

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 101,700 shares of common stock were purchased by Special Value Absolute Return Fund, LLC ("SVAR"). Following the transaction, 5,649,481 shares of common stock are owned by Tennenbaum Capital Partners, LLC ("TCP", formerly known as Special Value Investment Management, LLC) and Tennenbaum & Co., LLC ("TCO") as follows: 2,496,000 shares subject to outstanding warrants to purchase common stock which are exercisable within 60 days of the record date are owned of record by Special Value Bond Fund, LLC ("SVBF"); 2,696,420 shares of common stock are owned of record by SVAR; 318,000 shares of common stock are owned of record by Special Value Bond Fund II, LLC ("SVBF II"); 25,000 shares of common stock are owned of record by a separate account managed by TCP; and 114,061 shares of common stock are owned of record by TCO. The managing member of SVBF is SVIM/MSM, LLC ("SVIM/MSM") and the managing member of SVBF II is SVIM/MSM II, LLC ("SVIM/MSM II").

(2) The managing member of both SVIM/MSM and SVIM/MSM II is TCO. The managing member of SVAR is SVAR/MM, LLC ("SVAR/MM"), and the managing member of SVAR/MM is TCP. The managing member of TCP is TCO. The managing member of TCO is Michael E. Tennenbaum, who has filed a separate report with respect to the securities described herein. In addition to managing the separate account, TCP is the investment advisor to SVBF, SVBF II and SVAR and the separate account. TCP, SVIM/MSM, TCO and Mr. Tennenbaum share voting and dispositive power for the 2,496,000 shares subject to outstanding warrants to purchase common stock. TCP, SVIM/MSM II, TCO and Mr. Tennenbaum share voting and dispositive power for the 318,000 shares. TCP, SVAR/MM, TCO and Mr. Tennenbaum share voting and dispositive power for the 2,696,420 shares. TCP, TCO and Mr. Tennenbaum share voting and dispositive power for the 25,000 shares. TCO and Mr. Tennenbaum have sole voting and dispositive power for the 114,061 shares.

(3) The reporting persons disclaim beneficial ownership of the securities described herein except to the extent of their pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.