

PARTY CITY CORP  
Form 4  
February 23, 2005

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

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

(Last) (First) (Middle)

2951 28TH STREET, 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)  
02/18/2005

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/18/2005		P		117,000	A	\$ 12.2689
					5,766,481	I	

See footnotes (1) (2) (3)

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

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SEC 1474 (9-02)

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

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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. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TENNENBAUM CAPITAL PARTNERS LLC 2951 28TH STREET SUITE 1000 SANTA MONICA, CA 90405		X		
SVAR MM LLC 2951 28TH STREET SUITE 1000 SANTA MONICA, CA 90405		X		
SVIM MSM LLC 2951 28TH STREET SUITE 1000 SANTA MONICA, CA 90405		X		
TENNENBAUM & CO LLC 2951 28TH STREET 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. 02/23/2005

\_\_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 02/22/2005

\_\_Signature of Reporting Person

Date

/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC, in its capacity as Managing Member of SVIM/MSM,LLC. 02/22/2005

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\_\_Signature of Reporting Person

Date

/s/ Howard M. Levkowitz, Principal of Tennenbaum & Co., LLC

02/22/2005

\_\_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) 117,000 shares of common stock were purchased by Special Value Absolute Return Fund, LLC ("SVAR"). Following the transaction, 5,766,481 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"); 2,813,420 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 2,813,420 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.

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