

ENTERED

December 06, 2023

Nathan Ochsner, Clerk

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

In re:

ANAGRAM HOLDINGS, LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 23-90901 (MI)
)
) (Jointly Administered)
) **Re: Docket No. 9****FINAL 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 a final order (this “Final 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 it may enter a final order consistent with Article III of the United States Constitution; 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 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 the 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, provide five (5) business days' notice (or as soon as reasonably practicable thereafter) to the U.S. Trustee and the advisors to each of the Official Committee of Unsecured Creditors (the "Committee"), the Ad Hoc Group and the DIP ABL Agent (as defined in the DIP Order (as defined below)) if the Debtors seek to increase or decrease existing coverage, change carriers, enter into any premium financing agreements, or

purchase additional coverage. In addition, the Debtors are authorized, but not directed, to pay any outstanding prepetition obligations relating thereto, including premium payments and administrative fees.

2. 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.

3. 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.

4. 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.

5. 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.

6. Notwithstanding the relief granted herein or any actions taken hereunder, nothing contained in this Final 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.

7. The Debtors are not authorized by this Final Order to take any action with respect to a Surety Bond or insurance program 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. The Debtors are not authorized or required to fund any self-insured retention with respect to any prepetition claim.

8. 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 Final Order nor any payments made in accordance with this Final Order shall constitute the assumption or postpetition reaffirmation of any such surety bond or related agreement under section 365 of the Bankruptcy Code.

9. 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 Final Order.

10. 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.

11. The Debtors shall maintain a matrix/schedule of payments made pursuant to this Final 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 U.S. Trustee and the advisors to each of the Committee, the Ad Hoc Group and the DIP ABL Agent by the last day of each calendar month.

12. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in the Motion or this Final 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.

13. Notwithstanding the relief granted in this Final 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 the interim [Docket No. 128] 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 [Docket No. 7] (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 Final Order or any action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.


14. 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.

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

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

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

Signed: December 06, 2023



Marvin Isgur
United States Bankruptcy Judge

Schedule A
Insurance Policies¹

Type of Insurance	Carrier	Policy Number	Policy Term Date
Ocean Cargo	Travelers	CUP-2W226283-22-NF	2/26/23 - 2/26/24
Excess Cyber Liability	Arch Insurance Company	NPL0067050-02	9/16/23 - 9/16/24
Excess Cyber Liability	Axa XL	MTE9032511 08	9/16/23 - 9/16/24
Excess Cyber Liability	AXIS Surplus Insurance Company	P-001-001263034-01	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	Steadfast Insurance Company	SPR 3305134 - 01	9/16/23 - 9/16/24
Primary Cyber Liability	Beazley Ins Co	W35B78230101	9/16/23 - 9/16/24
D&O 1 st Excess	AIG	01-588-54-48	10/12/23 - 10/12/24
D&O Excess	QBE Insurance Corporation	130005785	10/12/23 - 10/12/24
D&O Excess ABC	Zurich	DOC 5690289-00	10/12/23 - 10/12/24
D&O Excess Side-A	Axa XL	ELU193195-23	10/12/23 - 10/12/24
D&O Excess Side-A	Berkshire	47-EMC-331550-01	10/12/23 - 10/12/24
D&O Lead Side-A	Berkley	BPRO8099529	10/12/23 - 10/12/24
D&O Primary	Chubb	8264-0322	10/12/23 - 10/12/24
EPL	Chubb	8264-0322	10/12/23 - 10/12/24
Excess – Arch Essential Lead Side A DIC Policy	Arch Insurance Company	ABL1000146-00	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
Auto Liability	Travelers	TJCAP-824K2754-TIL-23	12/1/23 - 12/1/24
Crime	Beazley	V25943230601	12/1/23 - 12/1/24
Excess CA Earthquake	North Shore (Aspen)	NSM43279	12/1/23 - 12/1/24
General Liability	Travelers	TJEXGL-2H535771 - TIL-23	12/1/23 - 12/1/24
Inland Marine (Forklifts)	Chubb	0670-40-02 EUC	12/1/23 - 12/1/24
Inland Marine (Trailers)	Travelers	TBD	12/1/23 - 12/1/24
International Package	Chubb	CXC D37914563 010	12/1/23 - 12/1/24
Property	Mitsui	EXP7001002	12/1/23 - 12/1/24
Property	Awac	0314-0907-1A	12/1/23 - 12/1/24
Property	Beazley	B6012BUSAPROP23	12/1/23 - 12/1/24
Property	Starr	SLSTPTY11926723	12/1/23 - 12/1/24
Property	Talbot	B080124309U23	12/1/23 - 12/1/24
Property	Munich Re	78-A3-XP-0000875-02	12/1/23 - 12/1/24
Property	Allianz	TBD	12/1/23 - 12/1/24

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 Schedule A. The Debtors are awaiting updated policy numbers for certain recently renewed policies identified on this Schedule A. Accordingly, certain policy numbers are identified herein as “TBD.”

Type of Insurance	Carrier	Policy Number	Policy Term Date
Property	Kinsale	TBD	12/1/23 - 12/1/24
Property	Ki	TBD	12/1/23 - 12/1/24
Property	BRIT	B080124328U23	12/1/23 - 12/1/24
Property	Alchemy	B080124310U23	12/1/23 - 12/1/24
Property	HCC	TBD	12/1/23 - 12/1/24
Property	Lex London	B080118709U23	12/1/23 - 12/1/24
Property	Zurich	PPR-0920886-02	12/1/23 - 12/1/24
Property	RSUI	LHD938418	12/1/23 - 12/1/24
Property	Starr Specialty	23SLCFM12161401	12/1/23 - 12/1/24
Property	Aspen	PX00Q5K23A	12/1/23 - 12/1/24
Property	Fidelis	B080122647U23	12/1/23 - 12/1/24
Property	Partner Re	B080122648U23	12/1/23 - 12/1/24
Property	Atrium	B080122645U23	12/1/23 - 12/1/24
Property	Amlin	TBD	12/1/23 - 12/1/24
Property	ARK2	B080122646U23	12/1/23 - 12/1/24
Property	Ark	TBD	12/1/23 - 12/1/24
Property	Sompo (Bda)	BPD30000497600	12/1/23 - 12/1/24
Property	Axis	TBD	12/1/23 - 12/1/24
Property	Markel	MKLV1XPR000789	12/1/23 - 12/1/24
Property	Westfield	XAR-00004FN-02	12/1/23 - 12/1/24
Property	Axis (London)	B080124362U23	12/1/23 - 12/1/24
Property	CORE / Starstone	O84815231CSP	12/1/23 - 12/1/24
Punitive Wrap	Hanseatic	TBD	12/1/23 - 12/1/24
Punitive Wrap	Magna Carta	TBD	12/1/23 - 12/1/24
Punitive Wrap - Umbrella	Travelers	TBD	12/1/23 - 12/1/24
Punitive Wrap	Allianz	TBD	12/1/23 - 12/1/24
Punitive Wrap	AXA XL	TBD	12/1/23 - 12/1/24
Punitive Wrap	Magna Carta	TBD	12/1/23 - 12/1/24
Strikes, Riots, Civil Commotion	Lloyds	TBD	12/1/23 - 12/1/24
Terrorism – Active Assailant	Lloyds	B080114970L23	12/1/23 - 12/1/24
Terrorism - Sabotage	Lloyds	B080116554L23	12/1/23 - 12/1/24
Umbrella – Primary	Travelers	CUP-2W226283-23-NF	12/1/23 - 12/1/24
Workers Compensation - AOS	Travelers	UB-0R661932-23-51-K	12/1/23 - 12/1/24
Workers Compensation – AZ, MA, WI	Travelers	UB-0R641030-23-51-R	12/1/23 - 12/1/24
XS Liability	Steadfast / Zurich	IPR 379 2420-04	12/1/23 - 12/1/24
XS Liability	Navigators / Hartford	NY23RXSZ0D395IV	12/1/23 - 12/1/24
XS Liability	Liberty Mutual	ECO (24) 64062528	12/1/23 - 12/1/24
XS Liability	Allianz	USL003107233	12/1/23 - 12/1/24
XS Liability	AXA XL	US00064480LI23A	12/1/23 - 12/1/24
Business Travel Accident	AIG	MTA 0009156527	12/1/22 - 12/1/25

