

PARTY CITY CORP
Form 8-K
December 30, 2004

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported) **December 6, 2004**

PARTY CITY CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-27826
(Commission File Number)

22-3033692
(IRS Employer
Identification No.)

400 Commons Way, Rockaway, NJ
(Address of Principal Executive Offices)

07866
(Zip Code)

Registrant's telephone number, including area code: **(973) 983-0888**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.02 Termination Of A Material Definitive Agreement.

On December 6, 2004, Warren Jeffery, the Senior Vice President of Operations of Party City Corporation (the Company), gave notice of his resignation from the Company; his last day of employment will be January 8, 2005. Accordingly, Mr. Jeffery's employment agreement, dated November 7, 2003 (the Employment Agreement), will be terminated as of January 8, 2005. The Employment Agreement was previously filed as Exhibit 10.11 to the Company's Quarterly Report of Form 10-Q for the period ending September 27, 2003.

Pursuant to the Employment Agreement, the Company is obligated to pay Mr. Jeffery, in a lump sum within ten business days following his last day of employment, all earned but unpaid then-existing salary and bonus. The Company does not believe that Mr. Jeffery will have any earned but unpaid bonus as of his resignation date. The Employment Agreement also provides that Mr. Jeffery is subject to the non-competition and non-solicitation provisions set forth therein until July 7, 2005, subject to standard exceptions.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARTY CITY CORPORATION

Date: December 30, 2004

By: /s/ Gregg A. Melnick
Name: Gregg A. Melnick
Title: Chief Financial Officer