



December 17, 2007

Dear Vendor:

The Vendor Standards Manual (VSM) for Amscan Holdings Inc (AHI) including its subsidiaries and affiliates which consist of, among others, entities doing business under Party City, Party America, The Paper Factory, Gags and Games, and Amscan tradenames has been updated. Since we are now a wholesale and retail organization, most sections are divided in this manner. Section A is for vendors that ship directly to our retail locations; Section B is for vendors shipping to our wholesale locations. The retail sections apply to both corporate and franchise stores. If you are only a wholesale vendor dealing with Amscan, you do not need to refer to the retail sections. As we continue to integrate Party America and Party City, the retail portions will change. These standards will be supplemented from time to time.

The VSM provides information regarding requirements for conducting business with AHI. Our goal is to receive merchandise and business communications according to these published standards. These standards will be enforced for all purchase orders shipped or received after February 01, 2008. Subsequently, we have defined a charge-back policy (Section 8) to ensure we are reimbursed for any additional costs of handling non-compliant merchandise and/or communications.

The AHI Vendor Standards Manual (VSM) is available on-line at www.enabletrading.net. Please see the attached instructions.

All vendors must also acknowledge your agreement with the Vendor Standards Manual using the acknowledgement form found in the introduction section of the 2008 VSM. Contact information is provided on the acknowledgment form. Your response must be received before January 18, 2008.

If you have any questions regarding the 2007 VSM please contact:

Retail - Peter Balazs, Party City Vendor Relations Specialist, at 973-453-8806

Wholesale - Julie Ulacco, Amscan Coordinator Mass Markets at 914-784-4132.

All trading partners **must** provide the following documentation:

- Acknowledgement Form agreeing to the Vendor Standards Manual (See Intro Section)
- Certificate of Insurance – (Please see Section 9 under Liability Insurance for more details)
- Material Safety Data Sheets (where applicable)
- CONEG Packaging Requirement Signoff – Wholesale Vendors Only (See Intro Section)

VSM documentation and/or requirements remain in effect until mutually canceled or replaced by a more recent revision.