

WALKER SMITH CAPITAL L P  
 Form 4  
 July 05, 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 \*  
 WALKER SMITH CAPITAL L P

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 300 CRESCENT COURT, SUITE 880

3. Date of Earliest Transaction (Month/Day/Year)  
 06/30/2005

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

(Street)  
 DALLAS, TX 75201

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_\_ Form filed by One Reporting Person  
 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 or Price   |  |   |               |   |                       |
| Common Stock                    | 06/30/2005                           |  | P                              |   | 93,000<br>(2)   | A  | \$ 11.9   | 1,974,064     | I | See Footnotes (1) (5) |
| Common Stock                    | 07/01/2005                           |  | P                              |   | 900 (3)   | A  | \$ 12.25  | 1,974,964     | I | See Footnotes (1) (5) |
| Common Stock                    | 07/01/2005                           |  | P                              |   | 1,600<br>(3)  | A  | \$ 12.192   | 1,976,564 (4) | I | See Footnotes (1) (5) |

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.

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

| 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 Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | 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 |
| WALKER SMITH CAPITAL L P<br>300 CRESCENT COURT<br>SUITE 880<br>DALLAS, TX 75201       |               | X         |         |       |
| WALKER SMITH INTERNATIONAL LTD<br>300 CRESCENT COURT<br>SUITE 880<br>DALLAS, TX 75201 |               | X         |         |       |
| Walker Smith Capital QP L P<br>300 CRESCENT COURT<br>SUITE 880<br>DALLAS, TX 75201    |               | X         |         |       |

## Signatures

Walker Smith Capital, L.P., by WS Capital Management, L.P., its general partner, by WS Capital, L.L.C., its general partner, by /s/ Reid S. Walker, Member 07/05/2005  
\*\*Signature of Reporting Person Date

Walker Smith Capital, (Q.P.) L.P., by WS Capital Management, L.P., its general partner, by WS Capital, L.L.C., its general partner, by /s/ Reid S. Walker, Member 07/05/2005  
\*\*Signature of Reporting Person Date

Walker Smith International Fund, LTD., by WS Capital Management, L.P., its agent and attorney-in-fact, by WC Capital, L.L.C., its general partner, by /s/ Reid S. Walker, Member

07/05/2005

\_\_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).

This Form 4 is filed on behalf of WS Capital, L.L.C. (WS Capital), WS Capital Management, L.P. (WSCM), WSV Management, L.L.C. (WSV), WS Ventures Management, L.P. (WSVM), Walker Smith Capital, L.P. (WSC), Walker Smith Capital (Q.P.), L.P. (WSCQP), Walker Smith International Fund, Ltd. (WS International), WS Opportunity Fund, L.P. (WSO), WS Opportunity Fund (Q.P.), L.P.

(1) (WSOQP), WS Opportunity Fund International, Ltd. (WSO International), Reid S. Walker, G. Stacy Smith and Patrick P. Walker (collectively, the Filing Persons). Reid S. Walker and G. Stacy Smith are the sole principals of WS Capital, and Reid S. Walker, G. Stacy Smith and Patrick P. Walker are the sole principals of WSV. WS Capital is the general partner of WSCM, which is the general partner of WSC and WSCQP and the agent and attorney-in-fact for WS International. WSV is the general partner of WSVM, which is the general partner of WSO and WSOQP and the agent and attorney-in-fact for WSO International.

(2) Includes (i) 47,300 shares acquired by WSCQP, (ii) 27,700 shares acquired by WS International, (iii) 7,700 shares acquired by WSO, (iv) 7,000 shares acquired by WSOQP and (v) 3,300 shares acquired by WSO International.

(3) Represents shares acquired by WS International.

Includes (i) 110,388 shares held directly by Walker Smith Capital, L.P. (WSC), (ii) 616,977 shares held directly by WSCQP, (iii) 835,090 shares held directly by WS International, (iv) 120,365 shares held directly by WSO, (v) 126,169 shares held directly by

(4) WSOQP, (vi) 162,675 shares held directly by WSO International, (vii) 1,000 shares held directly by Reid S. Walker (see footnote 1), (viii) 2,500 shares held directly by Patrick P. Walker (see footnote 1) and 1,400 shares held indirectly by Patrick P. Walker, as trustee for a trust.

Each of the Filing Persons hereby expressly disclaims membership in a group under the Securities Exchange Act of 1934 with respect to the securities reported herein, and this Form 4 shall not be deemed to be an admission that any such Filing Person is a member of such a group. Each of the Filing Persons hereby expressly disclaims beneficial ownership of the securities reported herein, other than to the extent of its pecuniary interest therein, and this Form 4 shall not be deemed to be an admission that any such Filing Person is the beneficial owner of the securities reported herein for purposes of the Securities Exchange Act of 1934 or for any other purpose.

### Remarks:

This is Part 2 of a Form 4 filed jointly by WS Capital LLC, WS Capital Management, L.P., WSV Management, LLC, WS Opportunity Fund, L.P., WS Ventures Management, L.P., WS Opportunity Fund, L.P., WS Opportunity Fund (QP), L.P., Walker Smith Capital, L.P., WS International Ltd., Walker Smith Capital (QP), L.P., G. Stacy Smith, Reid S. Walker and Patrick P. Walker. The Form 4 was filed in two parts due to the restrictions in the electronic filing process.

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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