
**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): September 12, 2007

HAPC, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

0-51902
(Commission File Number)

20-3341405
(I.R.S. Employer
Identification No.)

350 Madison Avenue
New York, New York 10017
(Address of Principal Executive Offices)(Zip Code)

(212) 418-5070
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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 (see General Instruction A.2. below):

- 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 1.01. Entry into a Material Definitive Agreement

On September 12, 2007, HAPC, INC., a Delaware corporation (“HAPC”) entered into a non-binding Memorandum of Intent (the “MOI”) with I-Flow Corporation (“I-Flow”), InfuSystem, Inc. (“InfuSystem”) and Iceland Acquisition Subsidiary, Inc. with respect to the Stock Purchase Agreement, dated as of September 29, 2006, as amended (the “Stock Purchase Agreement”), by and among the foregoing parties.

The MOI contemplates a further amendment to the Stock Purchase Agreement which would reduce the original purchase payable by HAPC to I-Flow for all of the issued and outstanding capital stock of InfuSystem from \$140,000,000 to \$100,000,000 with contingent consideration to be paid several years from the closing date of the acquisition, provided that certain conditions related to the operations of InfuSystem’s business are met. The contingent consideration would be based upon the compound annual growth rate of HAPC’s consolidated revenues over the three year period ended December 31, 2010 and would be paid in 2011. The maximum potential amount of the contingent consideration is \$12 million and would be payable to I-Flow if HAPC achieved a compound annual growth rate of 50% over the three year period.

The amendment to the Stock Purchase Agreement as contemplated by the MOI has not yet been executed by the parties thereto. After the amendment is executed and delivered, HAPC will distribute a supplemental proxy statement to its stockholders of record as of August 6, 2007.

The foregoing description of the MOI does not purport to be complete is qualified in its entirety by reference to the full text of the MOI filed as Exhibit 10.1 hereto which is incorporated by reference herein.

On September 12, 2007, HAPC also issued a press release announcing its entry into the MOI. The press release is filed as Exhibit 99.1 hereto and is also incorporated by reference herein.

Additional Information and Where to Find It

HAPC filed its Definitive Proxy Statement with the SEC on August 8, 2007. HAPC also mailed the Definitive Proxy Statement to stockholders of record as of August 6, 2007 on August 8, 2007. HAPC’s stockholders are urged to read the Definitive Proxy Statement and other relevant materials as they contain important information about the acquisition of all of the issued and outstanding capital stock of InfuSystem. HAPC stockholders may obtain a free copy of such filings at the SEC’s internet site (<http://www.sec.gov>). Copies of such filings can also be obtained, without charge, by directing a request to HAPC, INC., 350 Madison Avenue, New York, New York 10017, Tel: (212) 418-5070.

HAPC and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of HAPC in connection with the proposed acquisition of InfuSystem. Information regarding the special interests of these directors and executive officers in the proposed transaction is included in the Definitive Proxy Statement described above.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.

10.1	Memorandum of Intent, dated as of September 12, 2007, by and among I-Flow Corporation, InfuSystem, Inc., HAPC, INC. and Iceland Acquisition Subsidiary, Inc.
99.1	Press Release issued by HAPC, INC. on September 12, 2007

Signature

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.

HAPC, INC.

By: /s/ John Voris

Name: John Voris

Title: Chief Executive Officer

Dated: September 13, 2007

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- 99.1 Press Release issued by HAPC, INC. on September 12, 2007

MEMORANDUM OF INTENT

THIS MEMORANDUM OF INTENT (this "MOI") is entered into as of the 12th day of September, 2007 by and among I-FLOW CORPORATION, a Delaware corporation (the "Seller"), INFUSYSTEM, INC., a California corporation (the "Company"), HAPC, INC., a Delaware corporation (the "Buyer"), and ICELAND ACQUISITION SUBSIDIARY, INC., a Delaware corporation (the "Acquisition Sub").

1. **Background.** The parties to this MOI previously entered into that certain Stock Purchase Agreement, dated as of September 29, 2006, and as thereafter amended (the "Agreement"). Capitalized terms in this MOI that are not otherwise defined are intended to have the same meanings given them in the Agreement.

2. **Proposed Further Amendment.** The parties currently intend to enter into a further amendment to the Agreement (the "Price Amendment"). The Price Amendment is contemplated to amend the Agreement as follows:

(a) The Purchase Price shall be reduced to:

(i) One Hundred Million Dollars (\$100,000,000) (the "Base Amount"), which will be adjusted subsequent to the Closing pursuant to the provisions of Section 2.5 of the Agreement relating to a Surplus Amount or Deficit Amount, as relevant; plus

(ii) the contingent right of the Seller to receive an additional amount of up to Twelve Million Dollars (\$12,000,000) (the "Earn-Out").

(b) The Base Amount will be payable at the Closing in a combination of cash and a Promissory Note. The cash amount will equal Eighty-Five Million Dollars (\$85,000,000) less the dollar amount (which amount may be zero) actually returned to the shareholders of the Buyer voting against the Acquisition and requesting a return of their investment in accordance with the terms of such investment (the "HAPC Shareholder Return Amount"). The principal amount of the Promissory Note will equal Fifteen Million Dollars (\$15,000,000) plus the HAPC Shareholder Return Amount.

(c) The Earn-Out will provide that the Buyer will make an additional cash payment (the "Additional Payment") to the Seller of up to Twelve Million Dollars (\$12,000,000) based on the audited consolidated net revenues of the Buyer for its fiscal year ended December 31, 2010 ("FY 2010"). Specifically, the amount of the Additional Payment shall be calculated as follows:

<u>Buyer's FY 2010 Consolidated Net Revenues</u>	<u>Additional Payment</u>
Less than the "First Revenue Target" (as defined below)	\$0
Greater than or equal to First Revenue Target but less than "Second Revenue Target" (as defined below)	\$3 million plus the "Incremental Amount" (as defined below)
Greater than or equal to Second Revenue Target	\$12 million

The "First Revenue Target" shall be equal to the Company's 2007 actual net revenues (excluding all revenues related to the Seller's ON-Q product line) for the entire calendar year 2007, multiplied by 2.744 (representing a 40% compound average growth rate).

The "Second Revenue Target" shall be equal to the Company's 2007 actual net revenues (excluding all revenues related to the Seller's ON-Q product line) for the entire calendar year 2007, multiplied by 3.375 (representing a 50% compound average growth rate).

The "Incremental Amount" shall equal \$9 million multiplied by the ratio of (a) the Buyer's actual FY 2010 audited consolidated net revenues minus the First Revenue Target, divided by (b) the Second Revenue Target minus the First Revenue Target.

3. **Intention of Parties.** It is expressly understood that this MOI constitutes an expression of intention and is not binding upon, nor does it create any legal obligation of, any of the parties to this MOI or their respective affiliates in any manner whatsoever. This MOI's exclusive purpose is to reflect the parties' current intentions respecting certain matters to be addressed in connection with their contemplated discussions and negotiations. The matters discussed in this MOI are further subject to approvals by the Boards of Directors of all parties and execution and delivery of mutually satisfactory definitive documentation. As a result, it is the express intention of the parties that the Agreement remains in full force and effect and shall not in any manner be deemed amended unless and until the Price Amendment is executed and delivered by all of the parties to this MOI. The Buyer shall reimburse to the Seller, at the earlier of the Closing or October 31, 2007, all out-of-pocket expenses incurred by the Seller associated with the Price Amendment. This MOI may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and may be executed by electronic or facsimile signature, and an electronic or facsimile signature shall constitute an original for all purposes.

HAPC, INC.

I-FLOW CORPORATION

By: /s/ John Voris

Name: John Voris

Title: Chief Executive Officer

By: /s/ Donald M. Earhart

Name: Donald M. Earhart

Title: Chief Executive Officer and President

ICELAND ACQUISITION SUBSIDIARY, INC.

INFUSYSTEM, INC.

By: /s/ John Voris

Name: John Voris

Title: Chief Executive Officer

By: /s/ James R. Talevich

Name: James R. Talevich

Title: Chief Financial Officer and Secretary

**For Immediate Release****Investors:**

David K. Waldman/Klea K. Theoharis

Crescendo Communications, LLC

Tel: (212) 671-1020

**HAPC ANNOUNCES PURCHASE PRICE REDUCTION
FOR INFUSYSTEM ACQUISITION**

New York, September 12, 2007 – HAPC, Inc. (OTCBB: HAPN) and I-Flow (NASDAQ: IFLO) have signed a memorandum of intent to adjust the purchase price for the planned acquisition of InfuSystem, Inc. Under the terms of the transaction, as contemplated by the memorandum of intent, HAPC will acquire all the outstanding shares of InfuSystem from I-Flow for \$100 million, plus additional contingent consideration, based on HAPC achieving certain milestones. The contingent consideration will be based on the compound annual growth rate (CAGR) of HAPC's consolidated revenue over the three year period ending December 31, 2010 and would be paid in 2011. The maximum potential amount of the contingent consideration is \$12 million and would be due if HAPC achieved revenue CAGR of 50% over the three year period. The memorandum of intent regarding a reduction in the purchase price from \$140 million follows a comprehensive re-evaluation of the acquisition due to prevailing conditions within the financial markets. I-Flow will receive the aggregate consideration through a combination of cash and a promissory note. The amendment is subject to approval from both HAPC and I-Flow's board of directors and the parties signing a definitive amendment, at which time HAPC will file and provide to shareholders a supplement to its definitive proxy statement.

Sean McDevitt, Chairman of HAPC, commented, "We remain excited about the acquisition of InfuSystem, which fits perfectly within HAPC's acquisition criteria of strong growth, high margins, and an excellent management team. Specifically, InfuSystem's compound annual revenue growth rate since 2001 was 32% with very strong cash flow. Following completion of the acquisition, we look forward to launching an aggressive nationwide education and marketing campaign aimed at doctors and oncology offices regarding the proven benefits of continuous infusion pump therapy beyond just the treatment of colorectal cancer, including forms of cancer such as breast, pancreatic and gastrointestinal tumors. We look forward to the shareholder vote on September 26, 2007 and closing the acquisition shortly thereafter."

About InfuSystem, Inc.

InfuSystem provides external ambulatory infusion pump services to doctors and their patients allowing for the gradual delivery of a drug over a period of days in the privacy of one's home, rather than higher dose treatments, as is the case of chemotherapy administered in a hospital setting or doctor's office.

(more)

About HAPC, Inc.

HAPC is a blank check company recently formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses in the healthcare industry.

Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those predicted by such forward-looking statements. These risks and uncertainties include general economic conditions, as well as other risks detailed from time to time in HAPC's publicly filed documents.

Additional Information and Where to Find It

HAPC'S SHAREHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND, WHEN AVAILABLE, THE SUPPLEMENT, BECAUSE THESE DOCUMENTS CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders may obtain free copies of these documents and other relevant documents filed by HAPC with the Securities and Exchange Commission (the "SEC") at the SEC's web site at: www.sec.gov.

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