

HAPC, Inc.
Form PREM14A
December 07, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

HAPC, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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1) Title of each class of securities to which transaction applies:

Common Stock of InfuSystem, Inc.

2) Aggregate number of securities to which transaction applies:

Acquisition of all of the outstanding securities of InfuSystem, Inc.

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\$140,000,000 is being paid for all of the outstanding capital stock of InfuSystem, Inc.

4) Proposed maximum aggregate value of transaction:

\$140,000,000

5) Total fee paid:

\$14,980

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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HAPC, INC.

350 Madison Avenue, 20th Floor

New York, New York 10017

(212) 418-5070

PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF

HAPC, INC.

To the Stockholders of HAPC, INC. ("HAPC"):

You are cordially invited to attend a special meeting (the "Special Meeting") of the stockholders of HAPC, INC., or HAPC, to be held at a.m., Eastern Time, on _____, 2006, at the offices of _____ relating to HAPC's acquisition of InfuSystem, Inc. or InfuSystem.

The transaction will be effected by the acquisition by Iceland Acquisition Subsidiary, Inc. or Acquisition Sub, a wholly-owned subsidiary of HAPC, of all of the issued and outstanding capital stock of InfuSystem, a California corporation and wholly-owned subsidiary of I-Flow Corporation, or I-Flow, a Delaware corporation. Concurrently with Acquisition Sub's acquisition of all of the issued and outstanding capital stock of InfuSystem, Acquisition Sub will merge with and into InfuSystem with the result that InfuSystem will become a wholly-owned subsidiary of HAPC.

At this important meeting, you will be asked to consider and vote upon the following proposals:

the acquisition to approve the acquisition by Acquisition Sub of all of the issued and outstanding capital stock of InfuSystem pursuant to the Stock Purchase Agreement, dated as of September 29, 2006, by and among I-Flow, InfuSystem, HAPC and Acquisition Sub ("Proposal 1");

the stock incentive plan proposal to approve the adoption of the HAPC 2006 Stock Incentive Plan (the "Plan") pursuant to which HAPC will reserve up to 2,000,000 shares of common stock for issuance pursuant to the Plan ("Proposal 2");

the amendment to the certificate of incorporation proposal to approve an amendment to HAPC's amended and restated certificate of incorporation to change HAPC's name from HAPC, INC. to InfuSystem Holdings, Inc. ("Proposal 3"); and

to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors of HAPC has fixed the close of business on _____, 2006, as the record date (the "Record Date") for the determination of stockholders entitled to notice of and to vote at the Special Meeting and at any adjournment thereof. A list of stockholders entitled to vote as of the Record Date at the Special Meeting will be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of ten calendar days before the Special Meeting at HAPC's offices at 350 Madison Avenue, 20th Floor, New York, New York 10017, and at the time and place of the meeting during the duration of the meeting.

Adoption of each proposal will require the following vote:

For purposes of Proposal 1, the affirmative vote of a majority of the shares outstanding as of the Record Date of HAPC's common stock that were issued in HAPC's initial public offering, including shares subsequently purchased in the open market, that are present in person or by proxy at the Special Meeting and that vote on the proposal, *provided* less than 20% of the shares of HAPC's common

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stock issued in HAPC's initial public offering vote against the acquisition proposal and elect a cash conversion of their shares as described below.

For purposes of Proposal 2, the affirmative vote of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the Special Meeting.

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For purposes of Proposal 3, the affirmative vote of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date.

Each of Proposals 2 and 3 is conditioned upon the approval of Proposal 1 and, in the event Proposal 1 does not receive the necessary vote for approval, then HAPC will not complete any of the transactions specified in the others. If, however, Proposal 1 is approved and either Proposal 2 or 3 is not, HAPC will still consummate the acquisition.

In the event that the acquisition of InfuSystem is not undertaken, HAPC must complete an alternative business combination with a fair market value of at least 80% of its net assets (excluding the deferred underwriting discount and commission held in the trust account in the amount of approximately \$5,468,000) at the time of the business combination within 18 months after the consummation of its initial public offering, which occurred on April 18, 2006 (or within 24 months after the consummation of its initial public offering if a definitive agreement relating to a business combination has been executed within 18 months after the consummation of its initial public offering). It is likely that HAPC will have insufficient time and resources to complete an alternative business combination within this time period and HAPC will most likely have to liquidate after April 18, 2008 (or October 18, 2007 if no agreement is entered into).

Each HAPC stockholder who holds shares of common stock issued in HAPC's initial public offering, or purchased following such offering in the open market, has the right to vote against the acquisition proposal and, at the same time, demand that HAPC convert such stockholder's shares into cash equal to a pro rata portion of the proceeds held in the trust account, including interest, in which a substantial portion of the net proceeds of HAPC's initial public offering have been deposited. As of October 31, 2006, this amount was equal to \$5.81 per share, less income taxes owed on accrued interest. If the acquisition is not completed, your shares will not be converted to cash at this time, even if you so elected. If the holders of 3,375,050 or more shares of common stock issued in HAPC's initial public offering, an amount equal to 20% or more of the total number of shares issued in the initial public offering, vote against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then HAPC will not be able to consummate the acquisition.

HAPC's shares of common stock, warrants and units consisting of one share of common stock and two warrants trade on the OTC Bulletin Board under the symbols HAPN.OB, HAPNW.OB and HAPNU.OB, respectively.

After careful consideration of the terms and conditions of the proposed acquisition of InfuSystem, the adoption of the Plan and the amendment to the amended and restated certificate of incorporation, the Board of Directors of HAPC has determined that such proposals and the transactions contemplated thereby are fair to and in the best interests of HAPC and its stockholders. In connection with the acquisition proposal, the Board of Directors of HAPC has received an opinion from BNY Capital Markets, Inc., to the effect that as of September 29, 2006, the date the Stock Purchase Agreement was entered into, based upon conditions that existed as of that date, and subject to the considerations described in its opinion and based upon such other matters as BNY Capital Markets, Inc. considered relevant, the consideration to be paid by HAPC in the acquisition pursuant to the Stock Purchase Agreement is fair to HAPC from a financial point of view. **The Board of Directors of HAPC unanimously recommends that you vote or give instruction to vote (i) FOR the proposal to acquire all of the issued and outstanding capital stock of InfuSystem pursuant to the Stock Purchase Agreement by and among InfuSystem, I-Flow, Acquisition Sub and HAPC; (ii) FOR the proposal to adopt the Plan; and (iii) FOR the proposal to approve an amendment to the amended and restated certificate of incorporation to change HAPC's corporate name, all as described in Proposals 1, 2, and 3, respectively.**

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Enclosed is a Notice of Special Meeting and Proxy Statement containing detailed information concerning the acquisition, adoption of the Plan and amendment to the amended and restated certificate of incorporation. Whether or not you plan to attend the Special Meeting, we urge you to read this material carefully. I look forward to seeing you at the meeting.

Sincerely,

John Voris

Chief Executive Officer

YOUR VOTE IS IMPORTANT. WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING OR NOT, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE IN THE ENVELOPE PROVIDED. IF YOU SIGN AND RETURN THE PROXY CARD, BUT DO NOT GIVE INSTRUCTIONS ON HOW TO VOTE YOUR SHARES, YOUR SHARES WILL BE VOTED, AS RECOMMENDED BY THE HAPC BOARD OF DIRECTORS, FOR THE APPROVAL OF THE ACQUISITION PROPOSAL, FOR THE APPROVAL OF THE STOCK INCENTIVE PLAN PROPOSAL AND FOR APPROVAL OF THE AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION PROPOSAL.

SEE THE SECTION TITLED RISK FACTORS BEGINNING ON PAGE 15 FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE ACQUISITION OF INFUSYSTEM SINCE, UPON HAPC S ACQUISITION OF INFUSYSTEM, THE OPERATIONS AND ASSETS OF HAPC WILL LARGELY BE THOSE OF INFUSYSTEM.

THIS PROXY STATEMENT IS DATED _____, 2006, AND IS FIRST BEING MAILED TO HAPC STOCKHOLDERS ON OR ABOUT _____, 2006.

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HAPC, INC.

350 Madison Avenue, 20th Floor

New York, New York 10017

(212) 418-5070

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON _____, 2006

TO THE STOCKHOLDERS OF HAPC, INC.:

Notice is hereby given that a special meeting of stockholders, including any adjournments or postponements thereof, of HAPC, INC., or HAPC, a Delaware corporation, will be held at _____ a.m. Eastern Time, on _____, 2006, at the offices of _____ for the following purposes:

the acquisition proposal to approve the acquisition by Iceland Acquisition Subsidiary, Inc. or Acquisition Sub, a Delaware corporation and wholly-owned subsidiary of HAPC, of all of the issued and outstanding capital stock of InfuSystem, Inc. or InfuSystem, a California corporation and wholly-owned subsidiary of I-Flow Corporation or I-Flow, a Delaware corporation, pursuant to the Stock Purchase Agreement, dated as of September 29, 2006, by and among I-Flow, InfuSystem, HAPC and Acquisition Sub (Proposal 1);

the stock incentive plan proposal to approve the adoption of the HAPC 2006 Stock Incentive Plan (the Plan) pursuant to which HAPC will reserve up to 2,000,000 shares of common stock for issuance pursuant to the Plan (Proposal 2);

the amendment to the certificate of incorporation proposal to approve an amendment to HAPC s amended and restated certificate of incorporation, to change HAPC s name from HAPC, INC. to InfuSystem Holdings, Inc. (Proposal 3); and

to consider and vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors of HAPC has fixed the close of business on _____, 2006 as the date for which HAPC stockholders are entitled to receive notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Only the holders of record of HAPC common stock on that date are entitled to have their votes counted at the special meeting and any adjournments or postponements thereof.

HAPC will not transact any other business at the special meeting, except for business properly brought before the special meeting, or any adjournment or postponement thereof, by HAPC s Board of Directors.

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the special meeting. If you are a stockholder of record of HAPC common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

The Board of Directors of HAPC unanimously recommends that you vote FOR Proposal 1, the acquisition proposal, FOR Proposal 2, the stock incentive plan proposal and FOR Proposal 3, the amendment to the certificate of incorporation proposal.

By Order of the Board of Directors,

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Pat LaVecchia
Secretary

, 2006

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SUMMARY OF THE MATERIAL TERMS OF THE ACQUISITION

The parties to the Stock Purchase Agreement are HAPC, INC., I-Flow Corporation, Iceland Acquisition Subsidiary, Inc. and InfuSystem, Inc. See the section entitled Proposal No. 1 The Acquisition Proposal .

InfuSystem is one of the largest providers of ambulatory infusion pump management services for oncologists and their patients in the United States. Its principal offices are located in Madison Heights, Michigan. See the section entitled Business of InfuSystem .

At the closing of the acquisition, HAPC's wholly-owned subsidiary, Iceland Acquisition Subsidiary, Inc. or Acquisition Sub, will acquire all of the issued and outstanding capital stock of InfuSystem from I-Flow. Concurrently with the closing of the acquisition, Acquisition Sub will merge with and into InfuSystem and cease to exist as an independent entity. As the entity surviving the merger, InfuSystem will continue its corporate existence under the laws of the State of California as a wholly-owned subsidiary of HAPC. See the section entitled The Stock Purchase Agreement .

At the closing, I-Flow will be paid an aggregate of \$140,000,000 (subject to certain working capital adjustments to be determined at the time of closing) in cash or a combination of cash and a secured promissory note in an amount of up to \$75,000,000 for all of the outstanding capital stock of InfuSystem. The actual amount of the promissory note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights as described herein. See the section entitled The Stock Purchase Agreement .

The acquisition of all of the issued and outstanding capital stock of InfuSystem by Acquisition Sub cannot be completed unless the holders as of , 2006 of at least a majority of the shares of HAPC's common stock issued in HAPC's initial public offering, including shares subsequently purchased in the open market, that are present in person or by proxy and entitled to vote at the special meeting and that vote on the proposal, approve the acquisition, provided less than 20% of the shares of HAPC's common stock issued in HAPC's initial public offering vote against the acquisition proposal and elect a cash conversion of their shares. See the section entitled Proposal No. 1 The Acquisition Proposal .

In the event that the Stock Purchase Agreement is terminated by I-Flow (i) because of HAPC's failure to obtain the necessary approval of the acquisition by the HAPC stockholders (as described in the Stock Purchase Agreement) by April 30, 2007 or (ii) because HAPC is unwilling or unable to consummate the transactions contemplated by the Stock Purchase Agreement notwithstanding the fact all conditions precedent to the Stock Purchase Agreement have been satisfied or are capable of fulfillment, HAPC will pay I-Flow a break up fee. The fee is \$1,000,000 in the case of I-Flow's termination due to HAPC's failure to hold the special meeting by April 30, 2007 to obtain the HAPC stockholders' approval of the acquisition, and \$3,000,000 in all other cases where a break up fee is payable. See the section entitled The Stock Purchase Agreement .

Payment of the break up fee has been guaranteed to I-Flow by Messrs. Sean D. McDevitt and Philip B. Harris. Mr. McDevitt is Chairman of HAPC. See the section entitled The Stock Purchase Agreement . Messrs. McDevitt and Harris have applied to JPMorgan Chase Bank to issue a letter of credit for the benefit of I-Flow which I-Flow may draw upon in the event that the \$1,000,000 or \$3,000,000 break up fee, as the case may be, is not paid when due and payable. Messrs. McDevitt and Harris will deliver the letter of credit to I-Flow once it has been issued by JPMorgan Chase Bank.

In addition to voting on the acquisition proposal, the stockholders of HAPC will vote on proposals to approve the HAPC 2006 Incentive Stock Plan and to amend HAPC's amended and restated certificate of incorporation to change HAPC's corporate name to InfuSystem Holdings, Inc. See sections Proposal No. 2 The Stock Incentive Plan Proposal and Proposal No. 3 Amendment to Certificate of Incorporation Proposal .

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PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF HAPC, INC.

The Board of Directors of HAPC, INC has unanimously adopted and approved the Stock Purchase Agreement, dated September 29, 2006, by and among I-Flow Corporation, InfuSystem, Inc., a wholly-owned subsidiary of I-Flow, HAPC and Iceland Acquisition Subsidiary, Inc., a wholly-owned subsidiary of HAPC, referred to as Acquisition Sub, pursuant to which Acquisition Sub will acquire all of the issued and outstanding capital stock of InfuSystem and concurrently merge with and into InfuSystem. The consideration to be paid will be \$140,000,000 in the form of cash and a promissory note issued to I-Flow in an amount of up to \$75,000,000. The actual amount of the promissory note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights as described in this Proxy Statement. The Board of Directors of Acquisition Sub has unanimously adopted and approved the Stock Purchase Agreement and the transactions contemplated thereby. If the acquisition proposal is not approved, then the acquisition will not be consummated. In such an event, it is likely that HAPC will have insufficient time and resources to pursue an alternative acquisition target and in such an event HAPC will most likely be forced to liquidate after April 18, 2008.

If the acquisition is completed and you vote your shares for the acquisition proposal, you will continue to hold the HAPC securities that you currently own. If the acquisition is completed but you have voted your shares against the acquisition proposal and have elected a cash conversion instead, your HAPC shares will be cancelled and you will receive cash equal to a pro rata portion of the trust account, including interest, which, as of October 31, 2006, was equal to approximately \$5.81 per share, less income taxes owed on accrued interest.

HAPC's shares of common stock, warrants and units consisting of one share of common stock and two warrants trade on the OTC Bulletin Board under the symbols HAPN.OB, HAPNW.OB and HAPNU.OB, respectively. Upon consummation of the acquisition, all of the issued and outstanding capital stock of InfuSystem will be held by HAPC, and, assuming the proposal to amend HAPC's certificate of incorporation is approved, HAPC's name will be changed to InfuSystem Holdings, Inc. HAPC's common stock, warrants and units will continue to be traded on the OTC Bulletin Board although we anticipate seeking to change our trading symbols.

We believe that, generally, for U.S. federal income tax purposes, the acquisition of all of the issued and outstanding capital stock of InfuSystem by Acquisition Sub and the concurrent merger of Acquisition Sub with and into InfuSystem will have no direct tax effect on stockholders of HAPC. However, if you vote against the acquisition proposal and elect a cash conversion of your shares of HAPC common stock into your pro rata portion of the trust account and as a result receive cash in exchange for your HAPC shares, there may be certain tax consequences, such as realizing a loss on your investment in HAPC's shares. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**

This Proxy Statement provides you with detailed information about the acquisition, the proposed stock incentive plan, the amendment to the certificate of incorporation and the special meeting of stockholders. We encourage you to carefully read this entire document, including the Stock Purchase Agreement, the HAPC 2006 Stock Incentive Plan and the fairness opinion of the BNY Capital Markets, Inc. attached hereto as Annexes A, B and C, respectively. **YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 15.**

The acquisition of InfuSystem cannot be completed unless holders as of _____, 2006 of at least a majority of the shares of HAPC's common stock issued in HAPC's initial public offering, including shares subsequently purchased in the open market, that are present in person or by proxy and entitled to vote at the special meeting and that vote on the proposal, approve the acquisition, provided less than 20% of the shares of HAPC's common stock issued in HAPC's initial public offering vote against the acquisition proposal and elect a cash conversion of their shares.

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Your Board of Directors unanimously approved and declared advisable the acquisition of InfuSystem, adoption of the HAPC 2006 Stock Incentive Plan and the amendment to the amended and restated certificate of incorporation and unanimously recommends that you vote or instruct your vote to be cast FOR Proposal 1, the acquisition proposal, FOR Proposal 2, the stock incentive plan proposal and FOR Proposal 3, the amendment to the certificate of incorporation proposal.

We are soliciting the enclosed proxy card on behalf of the Board of Directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock.

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QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

What is being voted on?

There are three proposals on which you are being asked to vote. The first proposal is to approve the acquisition of all of the issued and outstanding capital stock of InfuSystem, Inc. a wholly-owned subsidiary of I-Flow Corporation, pursuant to a stock purchase agreement whereby Acquisition Sub will purchase from I-Flow all of the issued and outstanding capital stock of InfuSystem. Concurrently with Acquisition Sub's acquisition of all of the issued and outstanding capital stock of InfuSystem, Acquisition Sub will merge with and into InfuSystem. After the merger, Acquisition Sub will cease to exist as an independent entity and InfuSystem, as the surviving corporation, will continue its corporate existence under the laws of the State of California, as a wholly-owned subsidiary of HAPC. As consideration for such acquisition and as further described herein, I-Flow will receive an aggregate of \$140,000,000 (subject to certain working capital adjustments to be determined as of the time of closing). The consideration to I-Flow will be in the form of cash and a promissory note in an amount of up to \$75,000,000 (the

Promissory Note). The actual amount of the Promissory Note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights as described in this proxy statement. Following the acquisition and merger, HAPC will own all of the issued and outstanding capital stock of InfuSystem. This proposal is referred to as the acquisition proposal. The second proposal is to approve the adoption of the HAPC 2006 Stock Incentive Plan, or the Plan, pursuant to which 2,000,000 of shares of HAPC common stock will be reserved for issuance in accordance with the terms of the Plan. The third proposal is to approve an amendment to HAPC's certificate of incorporation to change HAPC's name to InfuSystem Holdings, Inc. after the acquisition.

Why is HAPC proposing the acquisition, the adoption of a stock incentive plan and amendment to HAPC's certificate of incorporation?

HAPC was formed specifically as a vehicle to acquire, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses primarily in the healthcare sector. The initial business combination entered into by HAPC must be with a target business or businesses whose fair market value is at least equal to 80% of net assets at the time of such acquisition. In the course of HAPC's search for a business combination partner, HAPC was introduced to InfuSystem, a company the Board of Directors of HAPC determined meets the criteria for acquisition. Specifically, these criteria include strong growth and profit margins, significant market share and a committed management team with a successful track record. HAPC believes that InfuSystem possesses each of these characteristics and that it will provide HAPC stockholders with an opportunity to acquire a company with significant growth potential. The adoption of the Plan is being undertaken because the Board of Directors of HAPC deems it beneficial for HAPC to have a means to incentivize management following the acquisition. The amendment to the certificate of incorporation is being undertaken because HAPC management desires the name of the business to reflect its operations.

What vote is required in order to approve the acquisition proposal?

The approval for the acquisition of InfuSystem will require the affirmative vote of a majority of the shares outstanding as of the record date of HAPC's common stock that were issued in HAPC's initial public offering, including shares that were subsequently purchased in the open market, that are present in person or by proxy at the meeting and that vote on the proposal. In addition, each HAPC stockholder who holds shares of common stock issued in HAPC's initial public offering or purchased following such offering in the open market has the right to vote against the acquisition proposal and, at the same time, demand that HAPC convert such stockholder's shares into cash equal to a pro rata portion of the trust account, including interest, in which a substantial portion of the net proceeds of HAPC's initial public offering is deposited. These shares will be converted into cash only if the acquisition is completed. Based upon the amount of cash held in the trust account as of October 31, 2006, without taking into account any interest accrued after such date, stockholders who vote against the acquisition proposal and elect to convert their shares as described above will be entitled to convert each share of common stock that they hold into approximately \$5.81 per share, less income taxes owed on

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accrued interest. However, if the holders of 3,375,050 or more shares of common stock issued in HAPC's initial public offering (an amount equal to 20% or more of the total number of shares issued in the initial public offering), vote against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then HAPC will not be able to consummate the acquisition. The officers and directors of HAPC intend to vote all of their shares of common stock in favor of this proposal.

What vote is required in order to approve the stock incentive plan proposal?

The approval of the adoption of the Plan will require the affirmative vote of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the special meeting. The officers and directors of HAPC intend to vote all of their shares of common stock in favor of this proposal.

What vote is required in order to approve the amendment to the certificate of incorporation?

The approval of the amendment to the certificate of incorporation will require the affirmative vote of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date. The officers and directors of HAPC intend to vote all of their shares of common stock in favor of this proposal.

If I am not going to attend the HAPC special meeting of stockholders in person, should I return my proxy card instead?

Yes. After carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy card. Then return the enclosed proxy card in the return envelope provided herewith as soon as possible, so that your shares may be represented at the HAPC special meeting.

What will happen if I abstain from voting or fail to vote?

An abstention with respect to the acquisition proposal will have no effect since the acquisition proposal requires the affirmative vote of a majority of the votes cast by holders of eligible shares. An abstention with respect to Proposal 2 or 3 will have the same effect as a vote against such proposal, since it is not an affirmative vote in favor of the respective proposal but will be included in the determination of the number of shares present in person or by proxy.

A failure to vote will have no impact upon the approval of Proposals 1 or 2 and will have the same effect as a vote against Proposal 3. Failure to vote will not have the effect of converting your shares into a pro rata portion of the trust account.

What do I do if I want to change my vote?

If you wish to change your vote, please send a later-dated, signed proxy card to the Secretary at HAPC prior to the date of the special meeting or attend the special meeting and vote in person. You also may revoke your proxy by sending a notice of revocation to the Secretary at the address of HAPC's corporate headquarters, provided such revocation is received prior to the special meeting.

If my shares are held in street name by my broker, will my broker vote my shares for me?

No. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares in accordance with directions you provided to your broker.

Will I receive anything in the acquisition?

If the acquisition is completed and you vote your shares for the acquisition proposal, you will continue to hold the HAPC securities that you currently own. If the acquisition is completed but you have voted your shares

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against the acquisition proposal and have elected a cash conversion instead, your HAPC shares will be cancelled and you will receive cash equal to a pro rata portion of the trust account, including interest, which, as of October 31, 2006, was equal to approximately \$5.81 per share, less income taxes owed on accrued interest.

How is HAPC paying for the acquisition?

The Stock Purchase Agreement provides that I-Flow will receive as consideration cash or a combination of cash and a promissory note in an amount of up to \$75,000,000. The amount of the note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights. The amount of the total consideration of \$140,000,000, subject to adjustments for working capital to be determined at the time of closing, less the amount of the promissory note will be paid by HAPC to I-Flow in cash.

Do I have conversion rights in connection with the acquisition?

If you hold shares of common stock issued in HAPC's initial public offering, then you have the right to vote against the acquisition proposal and demand that HAPC convert your shares of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of HAPC's initial public offering are held. These rights to vote against the acquisition and demand conversion of the shares into a pro rata portion of the trust account are sometimes referred to herein as conversion rights.

If I have conversion rights, how do I exercise them?

If you wish to exercise your conversion rights, you must vote against the acquisition and, at the same time, demand that HAPC convert your shares into cash. If, notwithstanding your vote, the acquisition is completed, then you will be entitled to receive a pro rata share of the trust account, in which a substantial portion of the net proceeds of HAPC's initial public offering are held, including any interest earned thereon through the date of the special meeting. Based upon the amount of cash held in the trust account as of October 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$5.81 per share, less income taxes owed on accrued interest. If you exercise your conversion rights, then you will be exchanging your shares of HAPC common stock for cash and will no longer own these shares of common stock. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the acquisition and then tender your stock certificate to HAPC. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units in accordance with the terms thereof. If the acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected. See section Summary Conversion Rights .

What happens to the funds deposited in the trust account after completion of the acquisition?

Upon completion of the acquisition, any funds remaining in the trust account after payment of amounts, if any, to stockholders requesting and exercising their conversion rights, will be released from trust and used to fund the acquisition and for general corporate purposes.

Who will manage HAPC upon completion of the acquisition of InfuSystem?

Pursuant to the terms of an employment agreement under negotiation between HAPC and Steven E. Watkins, chief executive officer of InfuSystem, it is anticipated that Mr. Watkins will replace John Voris as chief executive officer of HAPC upon completion of the acquisition. Mr. Watkins will also become a member of HAPC's Board of Directors. At the time the acquisition is completed, HAPC intends to recruit a new chief financial officer and it is contemplated that upon the successful recruitment of a new chief financial officer, Erin Enright, the current chief financial officer of HAPC, will resign. Additionally, upon completion of the acquisition, the remaining members of InfuSystem's current management team will be employed by HAPC in capacities similar to their roles with respect to InfuSystem.

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What happens if the acquisition is not consummated?

If the acquisition is not consummated, HAPC will continue to search for a service business to acquire. However, HAPC will be liquidated in accordance with the terms of its amended and restated certificate of incorporation if (i) it does not consummate a business combination by October 18, 2007 or (ii) a definitive agreement is executed, but not consummated, by October 18, 2007, then by April 18, 2008 (24 months after the consummation of its initial public offering). In any liquidation, the net proceeds of HAPC's initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of HAPC's common stock. In the event the acquisition of InfuSystem is not consummated, it is likely that HAPC will have insufficient time and resources to complete an alternative business combination and will most likely have to liquidate after April 18, 2008 (or October 18, 2007 if no agreement is entered into).

When do you expect the proposals to be completed?

It is currently anticipated that the transactions and actions contemplated in the proposals will be completed simultaneously as promptly as practicable following the HAPC special meeting of stockholders to be held on _____, 2006.

Who can help answer my questions?

If you have questions about any of the proposals, you may write or call HAPC, Inc. at 350 Madison Avenue, 20th Floor, New York, New York 10017, Attn: Pat LaVecchia, Secretary, (212) 418-5070.

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SUMMARY

This summary is being provided with respect to each of the proposals, although the acquisition is the primary reason for the calling of the special stockholders meeting. All of the proposals are described in detail elsewhere in this proxy statement and this summary discusses the material items of each of the proposals. You should carefully read this entire proxy statement and the other documents to which this proxy statement refers you. See, *Where You Can Find More Information*.

Proposal 1 Acquisition Proposal

InfuSystem, Inc.

InfuSystem is one of the largest providers of ambulatory infusion pump management services for oncologists and their patients in the United States. InfuSystem supplies electronic ambulatory infusion pumps and assorted disposable supply kits and provides billing and collection services for these items to approximately 1,550 physician practices in United States. The pumps are currently used primarily for the continuous infusion of chemotherapy drugs for patients with colorectal cancer.

Continuous Infusion Therapy

Continuous infusion therapy involves the gradual administration of a drug via a small, lightweight, portable pump over two to seven days, followed by rest periods and additional cycles. This is an alternative to traditional bolus chemotherapy, where patients receive higher doses of drugs over the course of minutes to several hours, administered in the physician's office or the hospital. Continuous infusion of chemotherapy through ambulatory pumps is increasingly being utilized by oncologists as a preferred treatment for patients with colorectal cancer. InfuSystem believes the growth of continuous infusion therapy is driven by three factors: superior clinical outcomes, enhanced patient convenience and comfort and recent changes to physician reimbursement.

In 2004, two new protocols were approved by the U.S. Food and Drug Administration (FDA) for treatment of colorectal cancer: FOLFOX (by Sanofi-Aventis S.A.) and FOLFIRI (by Pfizer Inc.). These treatment regimens, which combine older medications such as 5-Fluorouracil and Leucovorin with newer drugs, have been shown in studies to produce better anti-tumor efficacy, longer patient survival, reduced drug toxicities and improved therapy tolerance. Sanofi-Aventis and Pfizer are each dedicating significant resources to educate physicians and promote the use of these protocols. Oncologists have responded and the adoption of continuous infusion treatments has grown rapidly over the past two years.

Continuous infusion therapy through ambulatory pumps allows patients to undergo therapy in the comfort and convenience of their homes and enables them to continue with many of their daily activities. In bolus chemotherapy, patients are given large doses of drugs over a short period of time which can often lead to nausea, vomiting, diarrhea and decreased white blood cell and platelet counts. In contrast, continuous infusion therapy involves the delivery of smaller doses over a longer period of time (two to seven days), leading to improved tolerance and patient comfort. Importantly, this can enhance a patient's ability to remain on the chemotherapy regimen.

The Medicare Modernization Act of 2003 reduced levels of Medicare reimbursement for oncology drugs administered in the physician office setting. To offset this reduction, Medicare increased the service fees paid to oncologists. InfuSystem believes that this has resulted in doctors shifting to treatments that provide superior efficacy and patient satisfaction while optimizing their potential to earn service fees.

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Products and Services

InfuSystem's core service is to provide oncologist offices with ambulatory infusion pumps and related supplies and to directly bill and collect payment from payors for the use of these pumps. InfuSystem owns approximately 14,000 pumps.

After a doctor determines that a patient is eligible for ambulatory infusion pump therapy, the doctor arranges for the patient to receive an infusion pump and provides the necessary chemotherapy drugs. The oncologist and nursing staff train the patient in the use of the pump and initiate service. The physician bills insurers, Medicare or Medicaid (collectively, payors) for the physician's professional services associated with initiating and supervising the infusion pump administration, as well as the supply of drugs. InfuSystem directly bills payors for the use of the pump and related disposable supplies. InfuSystem has contracts with more than 100 payors that cover more than 125 million managed care lives.

In addition to providing high quality and convenient care, InfuSystem believes its pump management program offers significant economic benefits for patients, providers and payors.

InfuSystem benefits patients by providing high quality, reliable pumps and accessories as well as 24-hour service and support. InfuSystem employs oncology and intravenous certified registered nurses trained on ambulatory infusion pump equipment who staff InfuSystem's 24-hour hotline to address questions that patients may have about their treatment, the infusion pumps or other medical or technical questions related to the pumps.

Physicians benefit from InfuSystem's service in several ways. For those physicians providing their own pumps to patients, InfuSystem relieves them of the capital commitment, pump service and maintenance and billing and administrative burden. Rather than referring patients to home care, InfuSystem's service allows the doctor to continue a direct relationship with the patient and to receive professional service fees for setting up treatment and administering drugs.

Payors support InfuSystem because its service is generally less expensive than hospitalization or home care.

Relationships with Physician Offices

Through its 17 person sales force, InfuSystem maintains relationships with clinical oncologists in more than 1,550 practices. Though this represents a substantial portion of the oncology practices in the United States, in many cases only some of the physicians in the practice utilize InfuSystem's services. InfuSystem believes it can continue to add new physician relationships within these practices, as well as expand its network to further penetrate the oncology market. Over the past three years, InfuSystem has added approximately 450 new accounts to its services. InfuSystem's relationships with physicians are strong, as evidenced by its significant renewal rate.

InfuSystem believes that, in general, it does not compete directly with hospitals and physician offices to treat patients. Rather, by providing products and services to hospitals and physician offices and other care facilities and providers, InfuSystem believes it can help providers keep up with increasing patient demand and manage institutional restraints on capital and manpower due to the nature of limited resources in hospitals and physician offices.

Additional Markets

In addition to treatments for colorectal cancer, there are a number of approved drugs and drugs in the development pipeline that InfuSystem believes could potentially be used in continuous infusion protocols for the treatment of other diseases. Approved drugs include those for cancers such as head and neck, breast, lung,

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leukemia and stomach. InfuSystem currently generates approximately 15% of its revenue from treatments for these diseases. Drugs currently in clinical trials may also be launched over the next several years. If these new drugs are launched with continuous infusion protocols, InfuSystem expects the pharmaceutical companies to focus their sales and marketing forces on promoting the new drugs and protocols to physicians.

Billing Collection Services

As part of its relationship with I-Flow, InfuSystem provides billing and collection services for I-Flow's On-Q pain management product. InfuSystem has agreed to continue to provide this service to I-Flow for at least 18 months after the closing of the acquisition, subject to certain cancellation provisions. InfuSystem currently maintains a staff of 17 people to provide these services. I-Flow will compensate InfuSystem for its direct costs and provides InfuSystem with an incentive based reimbursement arrangement.

Principal Executive Office

The principal executive office of InfuSystem is located at 1551 East Lincoln Avenue, Suite 200, Madison Heights, Michigan 48071.

The Acquisition

The Stock Purchase Agreement provides for the acquisition by Acquisition Sub of all of the issued and outstanding capital stock of InfuSystem from I-Flow. Concurrently with Acquisition Sub's acquisition of all of the issued and outstanding capital stock of InfuSystem, Acquisition Sub will merge with and into InfuSystem. After the merger, Acquisition Sub will cease to exist as an independent entity and InfuSystem, as the surviving corporation, will continue its corporate existence under the laws of the State of California. The Stock Purchase Agreement was executed on September 29, 2006. Following completion of the acquisition and merger, all of the issued and outstanding capital stock of InfuSystem will be held by HAPC. At the closing, I-Flow will be paid an aggregate of \$140,000,000 (subject to certain working capital adjustments to be determined at the time of closing) in cash or a combination of cash and a secured promissory note (the Promissory Note) in an amount of up to \$75,000,000 for all of the outstanding capital stock of InfuSystem. The actual amount of the Promissory Note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights as described in this proxy statement.

InfuSystem, I-Flow and HAPC plan to complete the acquisition as promptly as practicable after the HAPC special meeting, provided that:

HAPC's stockholders have approved the Stock Purchase Agreement, and holders of less than 20% of the shares of common stock issued in HAPC's initial public offering vote against the acquisition proposal and demand conversion of their shares into cash; and

the other conditions specified in the Stock Purchase Agreement have been satisfied or waived.

The Stock Purchase Agreement is included as Annex A to this proxy statement. We encourage you to read the Stock Purchase Agreement in its entirety. See Stock Purchase Agreement.

Terms of Promissory Note

The Promissory Note will be issued by Acquisition Sub simultaneously with its merger with and into InfuSystem and as a result, will become the obligation of InfuSystem as the entity surviving the merger. HAPC will guarantee InfuSystem's obligations under the Promissory Note. The Promissory Note will mature four years after the closing of the acquisition and bear interest at a floating rate equal to LIBOR plus 5.5% or the Base rate

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plus 4.5% calculated on a 360 day basis; provided, however, that LIBOR shall be no less than 3% and the Base rate no less than 4%. The Promissory Note will be subject to prepayment premiums and, under certain circumstances, will be subject to mandatory prepayment. InfuSystem and HAPC will make certain representations, warranties and covenants to I-Flow that are usual and customary for transactions of this type. The Promissory Note will be secured by all of the assets of InfuSystem and HAPC.

The occurrence of the following events, among others, will constitute a default under the Promissory Note: (i) failure to pay when due any principal, interest, premium or fees; (ii) failure to comply with the covenants and other agreements in the Promissory Note; (iii) material breach of a representation of warranty; (iv) liquidation, bankruptcy or reorganization of InfuSystem or HAPC; or (v) the impairment of any of the collateral pledged by InfuSystem and HAPC as security for the Promissory Note. In the event of a default, the applicable interest rate of the Promissory Note will be increased by 2%.

In connection with I-Flow's commitment to accept the Promissory Note, HAPC paid a \$100,000 delivery fee to I-Flow on October 4, 2006. HAPC must also pay I-Flow a Ticking Fee (between 0.50% and 1.0% per annum of the maximum principal amount of the Promissory Note which is \$75,000,000) from September 29, 2006, the date that the Stock Purchase Agreement was executed, until the earlier of the closing of the acquisition under the Stock Purchase Agreement, termination of the Stock Purchase Agreement or HAPC's notice that, because alternative financing has been secured, the Promissory Note to I-Flow will no longer be required. The Promissory Note will be subject to a facility fee equal to 2.50% of the actual principal amount payable at closing. Additionally, InfuSystem will pay I-Flow an administrative fee of \$75,000 at the closing and on each anniversary of the closing for the term of the Promissory Note.

The actual amount of the Promissory Note will range from \$55,000,000 to \$75,000,000 depending upon the number of HAPC stockholders who exercise their conversion rights as described in this proxy statement.

Conversion Rights

Pursuant to HAPC's amended and restated certificate of incorporation, a holder of shares of HAPC's common stock issued in the initial public offering may, if the stockholder votes against the acquisition, demand that HAPC convert such shares into cash. If properly demanded, HAPC will convert each share of common stock as to which such demand has been made into a pro rata portion of the trust account in which a substantial portion of the net proceeds of HAPC's initial public offering are held, plus all interest earned thereon. If you exercise your conversion rights, then you will be exchanging your shares of HAPC common stock for cash and will no longer own these shares. Based on the amount of cash held in the trust account as of October 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$5.81 per share, less income taxes owed on accrued interest. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the acquisition and then tender your stock certificate to HAPC. If the acquisition is not completed, then these shares will not be converted into cash. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units in accordance with the terms thereof. If the acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected.

The acquisition will not be completed if the holders of 3,375,050 or more shares of common stock issued in HAPC's initial public offering, an amount equal to 20% or more of such shares, vote against the acquisition proposal and exercise their conversion rights.

Appraisal or Dissenters Rights

No appraisal rights are available under the Delaware General Corporation Law for the stockholders of HAPC in connection with the proposals.

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Conditions to the Completion of the Acquisition

The obligations of HAPC, Acquisition Sub, I-Flow and InfuSystem to complete the acquisition are subject to the satisfaction or waiver of specified conditions before completion of the acquisition, including the following:

Conditions to HAPC's, Acquisition Sub's, I-Flow's and InfuSystem's obligations:

the absence of any law preventing consummation of the acquisition; and

the receipt of all material consents of, registrations, declarations or filings with, any governmental entity legally required for the consummation of the acquisition.

Conditions to HAPC's and Acquisition Sub's obligations:

The obligation of HAPC and Acquisition Sub to complete the acquisition is further subject to the following conditions:

the representations and warranties made by I-Flow and InfuSystem that are qualified as to materiality must be true and correct, and those not qualified as to materiality must be true and correct in all material respects, both when made and as of the closing date of the acquisition, except representations and warranties that address matters as of another date, which must be true and correct as of such other date, and HAPC must have received a certificate from each of I-Flow and InfuSystem to that effect;

I-Flow and InfuSystem must have performed in all material respects all obligations required to be performed by each of them under the terms of the Stock Purchase Agreement;

HAPC and Acquisition Sub must have received all such documents as HAPC and Acquisition Sub may reasonably request evidencing the satisfaction of I-Flow's and InfuSystem's obligations under the terms of the Stock Purchase Agreement;

HAPC must have received the affirmative vote in favor of the acquisition by the holders of at least the majority of the number of shares of common stock that were issued in HAPC's public offering that vote on the proposal, provided, less than 20% of the shares of common stock issued in HAPC's initial public offering vote against the acquisition proposal and elect a cash conversion of their shares;

I-Flow must have obtained the consent of each person whose consent is required under certain material contracts to which InfuSystem is a party and provided evidence of such consents to HAPC;

I-Flow must have delivered to HAPC evidence of the release of all encumbrances (other than certain permitted encumbrances, including those created by HAPC or Acquisition Sub) with respect to the property and assets of InfuSystem and all of the issued and outstanding capital stock of InfuSystem;

I-Flow must have delivered to HAPC evidence of the repayment or release of all outstanding indebtedness of InfuSystem (other than certain permitted indebtedness);

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I-Flow must have delivered to HAPC evidence of the repayment or other cancellation of all liabilities owed by or to InfuSystem to or from I-Flow or any of its affiliates;

I-Flow must have delivered to HAPC or Acquisition Sub a certificate of the secretary of I-Flow dated as of the closing date and certifying that attached thereto are true and complete copies of all resolutions adopted by the Board of Directors of I-Flow authorizing the execution, delivery and performance of the Stock Purchase Agreement and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by the Stock Purchase Agreement;

I-Flow must have delivered to HAPC a duly completed and executed certification of non-foreign status pursuant to Section 1.1445-2(b)(2) of the Treasury regulations; and

I-Flow must have delivered to HAPC a duly completed and executed Form 8023, if requested by HAPC.

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Conditions to I-Flow's and InfuSystem's Obligations:

The obligation of I-Flow and InfuSystem to complete the acquisition is further subject to the following conditions:

the representations and warranties made by HAPC and Acquisition Sub that are qualified as to materiality must be true and correct, and those not qualified as to materiality must be true and correct in all material respects, both when made and as of the closing date of the acquisition, except representations and warranties that address matters as of another date, which must be true and correct as of such other date, and I-Flow must have received a certificate from each of HAPC and Acquisition Sub to that effect;

HAPC or Acquisition Sub must have delivered the purchase price of \$140,000,000 in cash (subject to certain working capital adjustments to be determined at the time of closing) or in a combination of cash and a promissory note to I-Flow;

HAPC must have executed and delivered to I-Flow a guaranty of amounts due under the promissory note;

I-Flow must have received an executed counterpart signature page by InfuSystem to each of the Amended and Restated Services Agreement and License Agreement (described herein); and

I-Flow must have received all such documents as I-Flow may reasonably request evidencing the satisfaction of HAPC's and Acquisition Sub's obligations under the terms of the Stock Purchase Agreement

Termination

Termination by I-Flow or HAPC

The Stock Purchase Agreement may be terminated at any time prior to the closing by mutual written consent of I-Flow or HAPC. Additionally, I-Flow or HAPC may terminate the Stock Purchase Agreement prior to closing if (i) the closing has not occurred by April 30, 2007 or (ii) any governmental authority issues an order, ruling or takes other action that prohibits the consummation of the transactions contemplated by the Stock Purchase Agreement.

Termination by I-Flow

I-Flow may terminate the Stock Purchase Agreement prior to the closing if (i) HAPC or Acquisition Sub breaches or fails to perform in any respect any of its representations, warranties or covenants contained in the Stock Purchase Agreement where such breach or failure to perform would result in a failure of a condition precedent to the closing, cannot be cured within 15 calendar days following delivery of written notice of such breach and such breach has not been waived by I-Flow or (ii) any of the conditions precedent to closing have become incapable of fulfillment.

Termination by HAPC

HAPC may terminate the Stock Purchase Agreement prior to the closing if (i) I-Flow or InfuSystem breaches or fails to perform in any respect any of its representations, warranties or covenants contained in the Stock Purchase Agreement, the Amended and Restated Services Agreement or License Agreement where such breach or failure to perform would result in a failure of a condition precedent to the closing, cannot be cured within 15 calendar days following delivery of written notice of such breach and such breach has not been waived by I-Flow or (ii) any of the conditions precedent to closing have become incapable of fulfillment.

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In the event that the Stock Purchase Agreement is terminated (i) because of HAPC's failure to obtain the stockholder approval required by the terms of the Stock Purchase Agreement (HAPC Stockholder Approval) by April 30, 2007 for any reason or (ii) because HAPC or Acquisition Sub is unwilling or unable to consummate the transactions contemplated by the Stock Purchase Agreement notwithstanding the fact that all conditions precedent to the Stock Purchase Agreement to be satisfied by I-Flow and InfuSystem (and the receipt of HAPC Stockholder Approval) have been satisfied or are capable of fulfillment, HAPC must pay I-Flow a break up fee. In the event that I-Flow terminates the Stock Purchase Agreement after April 30, 2007 and the break up fee is payable for the sole reason that HAPC has not held the stockholder meeting seeking HAPC Stockholder Approval by April 30, 2007, the break up fee will be \$1,000,000. In all other cases where a break up fee is payable, the amount will be \$3,000,000.

Guaranty

Payment of the break up fee has been guaranteed to I-Flow by Messrs. Sean D. McDevitt and Philip B. Harris (the Guarantors) pursuant to a Continuing Guaranty provided by the Guarantors in favor of I-Flow and delivered concurrently with the execution of the Stock Purchase Agreement. Pursuant to the terms of a Guaranty Fee and Reimbursement Agreement entered into by HAPC and the Guarantors on September 29, 2006, HAPC has agreed to pay the Guarantors a fee of \$100,000 upon delivery of the Continuing Guaranty and \$300,000 upon closing of the transactions contemplated by, or the termination of, the Stock Purchase Agreement. HAPC has also agreed to reimburse the Guarantors for any payments actually made by them in connection with the Continuing Guaranty. Messrs. McDevitt and Harris have applied to JPMorgan Chase Bank to issue a letter of credit for the benefit of I-Flow which I-Flow may draw upon in the event that the \$1,000,000 or \$3,000,000 break up fee, as the case may be, is not paid when due and payable. Messrs. McDevitt and Harris will deliver the letter of credit to I-Flow once it has been issued by JPMorgan Chase Bank.

Interests of HAPC Directors and Officers in the Acquisition

When you consider the recommendation of HAPC's Board of Directors that you vote in favor of the acquisition proposal, you should keep in mind that certain of HAPC's directors and officers have interests in the acquisition that are different from, or in addition to, your interests as a stockholder.

If the acquisition is not approved and HAPC fails to consummate an alternative transaction within the time allotted pursuant to its amended and restated certificate of incorporation, HAPC is required to liquidate, and the shares of common stock issued to HAPC's officers and directors prior to HAPC's initial public offering will be worthless because HAPC's executives and directors are not entitled to receive any of the net proceeds of HAPC's initial public offering that may be distributed upon liquidation of HAPC. Additionally, HAPC's officers and directors who acquired shares of HAPC common stock prior to HAPC's initial public offering at a value of \$4.82 per share will benefit if the acquisition is approved.

The table below shows the amount of the shares owned by the officers and directors of HAPC.

	Common Shares Owned
Pat LaVecchia	0
Sean McDevitt	0
Wayne P. Yetter	416,667
Erin Enright	250,000
Jean Pierre Millon	416,667
John Voris	666,667
	1,750,001

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These shares of common stock were issued for no consideration. Pursuant to lock up agreements signed by these stockholders, the shares may not be sold until six months after the consummation of HAPC's initial business combination. Although these shares are not registered, the stockholder may make up to two demands that HAPC register the shares at any time subsequent to six months after the consummation of HAPC's initial business combination.

Each individual has agreed that if he or she ceases to be an officer or director of HAPC prior to the dates specified below (other than as a result of (i) disability, as determined by the HAPC Board of Directors or as certified by a physician in a letter to the HAPC Board of Directors, (ii) death, (iii) removal without cause, or (iv) resignation for good reason), the portion of the shares specified below will be forfeited and transferred back to HAPC:

Termination of Services Prior to:	Shares Forfeited
June 30, 2006	100%
December 31, 2006	75%
June 30, 2007	50%
December 31, 2007	25%

All of the common stock issued to these individuals will vest upon completion of the acquisition of InfuSystem.

HAPC recognized compensation of \$8,435,005 in connection with the issuance, computed at \$4.82 per share. Of this amount, \$24,407 and \$5,523,757 was charged to expense for the periods ended December 31, 2005 and September 30, 2006, respectively. HAPC will recognize the remaining \$2,886,841 of compensation as an expense ratably over the forfeiture period of the shares.

In addition, the Board of Directors has approved the grant of 2,000,000 shares of common stock to Sean McDevitt and 416,666 shares of common stock to Pat LaVecchia on the date that is the later of six months after the completion of the acquisition of InfuSystem, or another business combination, or April 11, 2007 (which is the first anniversary of the completion of HAPC's initial public offering). If the acquisition of InfuSystem, or another business combination is not completed, Messrs. McDevitt and LaVecchia will not receive such shares. No officer or director holds any warrants. As a result of the above, HAPC took a charge of \$13,049,996 in its quarter ended September 30, 2006 which is based upon the number of shares reserved (2,416,666) at the July 24, 2006 closing stock price of \$5.40 per share.

Messrs. McDevitt and LaVecchia have, collectively, committed to purchase \$1,000,000 of warrants in the market at prevailing market prices or from HAPC at a price of \$0.70 per warrant, subsequent to the preliminary filing of this proxy statement with the SEC.

FTN Midwest Securities Corp. acted as advisor to HAPC in connection with the negotiation of the acquisition. Upon closing of the acquisition, FTN may receive a fee in an amount to be agreed. In the event that the transaction does not close, FTN will receive no consideration. Additionally, in the event that the transaction closes, a deferred underwriting discount of \$5,468,000 in connection with HAPC's initial public offering will be payable by HAPC to FTN. Messrs. McDevitt and LaVecchia are Managing Directors of FTN.

As described below, Messrs. McDevitt and Harris have guaranteed HAPC's obligation to pay the break up fee under the Stock Purchase Agreement to I-Flow. Mr. McDevitt is the Chairman of HAPC. In exchange for providing this personal guaranty, HAPC has agreed to pay the two individuals a fee in the aggregate amount of \$100,000 upon delivery of the guaranty, and \$300,000 upon the closing of the transactions contemplated by, or the termination of the Stock Purchase Agreement. In the event the guaranty is called upon, HAPC is obligated to reimburse the two individuals.

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However, in the event the acquisition is not completed, it is not likely that HAPC would have the resources to reimburse such amounts and these individuals have agreed to waive any right to the trust account for reimbursement. Messrs. McDevitt and Harris have applied to JPMorgan Chase Bank to issue a letter of credit for the benefit of I-Flow which I-Flow may draw upon in the event that the break up fee is not paid when due and payable. Messrs. McDevitt and Harris will deliver the letter of credit to I-Flow once it has been issued by JPMorgan Chase Bank.

Regulatory Matters

The acquisition and the transactions contemplated by the Stock Purchase Agreement are not subject to any federal or state regulatory requirements or approvals.

HAPC's Board of Directors' Recommendation

After careful consideration, HAPC's Board of Directors has determined unanimously that the acquisition proposal is fair to, and in the best interests of, HAPC and its stockholders. Accordingly, HAPC's Board of Directors has unanimously approved and declared advisable the acquisition and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the acquisition proposal.

Proposal 2 The Stock Incentive Plan Proposal

HAPC is seeking stockholder approval for the adoption of the HAPC 2006 Stock Incentive Plan which will provide for the granting of options and/or other stock-based or stock-denominated awards. The material terms of such plan are:

2,000,000 shares of common stock reserved for issuance;

the plan will be administered by the HAPC Board of Directors and any particular term of a grant or award shall be at the HAPC Board's discretion; and

the plan will become effective upon the closing of the acquisition of InfuSystem.

HAPC's Board of Directors has determined unanimously that this proposal is fair to, and in the best interest of HAPC and its stockholders. Accordingly, HAPC's Board has unanimously approved and declared advisable this proposal and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of this proposal.

Proposal 3 The Amendment to Certificate of Incorporation Proposal

HAPC is seeking stockholder approval to amend HAPC's certificate of incorporation to change the corporate name to InfuSystem Holdings, Inc. Any amendment will not become effective unless and until the acquisition of InfuSystem is completed.

HAPC's Board of Directors has determined unanimously that this proposal is in the best interest of HAPC and its stockholders. Accordingly, HAPC's Board has unanimously approved and declared advisable this proposal and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of this proposal.

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The merger of Acquisition Sub with and into InfuSystem will be accounted for as an acquisition of InfuSystem by HAPC under the purchase method of accounting. Under the purchase method of accounting, the purchase price, including transaction costs, to acquire InfuSystem will be allocated to the underlying net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired will be recorded as goodwill.

Set forth below is selected unaudited pro forma combined financial information that reflects the purchase method of accounting and is intended to provide you with a better picture of what HAPC's business might have looked like had HAPC and InfuSystem actually been combined. The selected unaudited pro forma combined financial information does not reflect the effect of asset dispositions, if any, or cost savings that may result from the merger. The selected unaudited pro forma combined financial information may not be indicative of the historical results that would have occurred had the companies been combined or the future results that may be achieved after the purchase. The following selected unaudited pro forma combined financial information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and related notes thereto included elsewhere in this proxy statement.

	Nine Months Ended September 30, 2006		Year Ended December 31, 2005	
	Assuming		Assuming	
	No Redemption (1)	Assuming Maximum Redemption (2)	No Redemption (1)	Assuming Maximum Redemption (2)
	(in thousands, except share and per share data)			
Revenue	\$ 24,262	\$ 24,262	\$ 29,148	\$ 29,148
Net income (loss)	506	(613)	836	(395)
Net income (loss) per share	0.027	(0.040)	0.045	(0.026)
Weighted average number of shares	18,625,252	15,251,889	18,625,252	15,251,889

	September 30, 2006 Assuming	
	No Redemption (1)	Assuming Maximum Redemption (2)
	(in thousands)	
Total assets	\$ 151,844	\$ 152,788
Long-term debt	55,000	74,366
Total Stockholders' equity	93,486	75,064

- (1) Assumes no HAPC stockholders redeem their conversion rights.
(2) Assumes 19.99% of the HAPC stockholders redeem their conversion rights.

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RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to adopt the acquisition proposal. As HAPC's operations will be those of InfuSystem upon completion of the acquisition, a number of the following risk factors relate to the business and operations of InfuSystem and HAPC, as the successor to such business.

Risks Related to the Acquisition

If the acquisition is not approved by HAPC stockholders, it is unlikely that HAPC will be able to consummate an alternate business combination within the time frame required by its amended and restated certificate of incorporation, in which case, HAPC will be forced to liquidate.

Pursuant to the terms of HAPC's amended and restated certificate of incorporation, HAPC must complete a business combination with a fair market value of at least 80% of its net assets (excluding the deferred underwriting discount and commission held in the trust account in the amount of approximately \$5,468,000) at the time of the business combination within 18 months after the consummation of its initial public offering (or within 24 months after the consummation of its initial public offering if a definitive agreement relating to a business combination has been executed within 18 months after the consummation of its initial public offering). As the Stock Purchase Agreement was executed on September 29, 2006, the amended and restated certificate of incorporation requires HAPC to consummate the acquisition of InfuSystem by April 18, 2008 (notwithstanding the fact that HAPC is contractually bound to complete the acquisition by April 30, 2007 under the terms of the Stock Purchase Agreement). If HAPC fails to consummate the acquisition by April 18, 2008, it is unlikely that HAPC will have sufficient time to complete an alternative business combination and will be forced to liquidate its assets.

If HAPC is forced to liquidate its assets, HAPC stockholders may receive less than \$6.00 per share upon distribution of the trust account and HAPC warrants will expire worthless.

If HAPC is unable to complete the acquisition and forced to liquidate its assets, the per-share liquidation distribution on the shares of common stock sold in HAPC's initial public offering may be less than \$6.00 because of the expenses related to the initial public offering, general and administrative expenses and the costs of seeking the acquisition of InfuSystem. Furthermore, warrants issued by HAPC will expire worthless if HAPC liquidates before the completion of the acquisition.

If HAPC stockholders exercise their right to convert their common stock into a pro rata share of the trust account, we will need to increase that amount that we borrow from I-Flow under the Promissory Note

Pursuant to HAPC's amended and restated certificate of incorporation, holders of shares common stock issued in the HAPC's initial public offering in April 2006 may vote against the acquisition and demand that HAPC convert their shares, as of the record date, into a pro rata share of the trust account where a substantial portion of the net proceeds of the initial public offering are held. Pursuant to the Stock Purchase Agreement, HAPC will not consummate the acquisition if stockholders owning 20% or more shares of common stock issued in the initial public offering exercise these conversion rights. To the extent the acquisition is consummated and holders have demanded to convert their shares, there will be a corresponding increase in the amount that we will need to borrow from I-Flow under the Promissory Note. The principal amount of the Promissory Note will thus range from \$55,000,000 to \$75,000,000, the difference used to pay stockholders who exercise their conversion rights. Assuming the acquisition is approved and less than 20% of HAPC shares of common stock that were issued in the initial public offering exercise their conversion rights, the maximum amount of funds that could be disbursed to HAPC stockholders upon the exercise of their conversion rights is approximately \$20,000,000, or approximately 21% of the funds then held in the trust account. Any payment upon exercise of conversion rights will require us to increase the principal amount that we borrow under the Promissory Note.

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Debt incurred in connection with the acquisition of InfuSystem could adversely affect our operations and financial condition.

If the acquisition of InfuSystem is consummated we will be highly leveraged. Depending upon the number of HAPC stockholders who exercise their conversion rights, we will owe I-Flow between \$55,000,000 and \$75,000,000 under the Promissory Note, in addition to interest accrued thereon.

Such indebtedness could have adverse consequences for our business, financial condition and results of operations, such as:

limiting our ability to obtain additional financing to fund growth and working capital;

limiting our operational flexibility in planning for or reacting to changing conditions in our business and industry;

limiting our ability to compete with companies that are not as highly leveraged, or whose debt is at more favorable interest rates and that, as a result, may be better positioned to withstand economic downturns; and

increasing our vulnerability to economic downturns and changing market conditions or preventing HAPC from carrying out capital spending that is necessary or important to our growth strategy.

If we do not have enough money to meet our payment obligations under the Promissory Note when due, we may be required to refinance all or part of our debt under the Promissory Note, sell assets or borrow more money. We may not be able to, at any given time, refinance our debt under the Promissory Note, sell assets or borrow more money on terms acceptable to HAPC or at all, the failure to do any of which could have adverse consequences for our business, financial condition and results of operations.

HAPC's ability to operate successfully after the acquisition will be largely dependent upon the efforts of the key personnel who will join HAPC following the acquisition and who may be unfamiliar with the requirements of operating a public company.

HAPC's ability to successfully operate after the acquisition of InfuSystem will be dependent upon the efforts of its key personnel. The future role of HAPC's management personnel following the acquisition, however, cannot presently be fully ascertained. Pursuant to the terms of an employment agreement under negotiation between HAPC and Steven E. Watkins, chief executive officer of InfuSystem, it is anticipated that Mr. Watkins will replace John Voris as chief executive officer of HAPC upon completion of the acquisition. Mr. Watkins will also become a member of HAPC's Board of Directors. At the time the acquisition is completed, HAPC intends to recruit a new chief financial officer and it is contemplated that upon the successful recruitment of a new chief financial officer, Erin Enright, the current chief financial officer of HAPC, will resign. Additionally, upon completion of the acquisition, the remaining members of InfuSystem's current management team will be employed by HAPC in capacities similar to their roles with respect to InfuSystem. While HAPC intends to closely scrutinize any additional individuals it engages after the acquisition of InfuSystem, HAPC cannot assure you that its assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company as well as with United States securities laws which could cause HAPC to have to expend time and resources helping them become familiar with such laws. This could be expensive and time-consuming, which would reduce HAPC's profitability, and could lead to various regulatory problems that would further increase costs and reduce profitability.

Because certain of HAPC's directors and officers own shares of HAPC common stock that will not participate in any liquidation distribution of the trust account, they have interests in the acquisition that are different from HAPC stockholders generally.

In considering the recommendation of HAPC's Board of Directors to vote for the proposal to approve the acquisition and adopt the Stock Purchase Agreement, stockholders should be aware that members of HAPC's Board are parties to agreements or arrangements that provide them with interests that differ from, or are in

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addition to, those of HAPC stockholders generally. HAPC's directors and officers, other than Sean McDevitt and Pat LaVecchia, own shares of HAPC common stock that were issued prior to HAPC's initial public offering. HAPC's initial stockholders will not have the right to receive distributions from the trust account upon HAPC's liquidation in the event that HAPC fails to complete the acquisition of InfuSystem within the time frame required by HAPC's amended and restated certificate of incorporation. The shares of common stock owned by HAPC's directors and officers will be worthless if HAPC does not consummate a business combination.

In addition, Sean McDevitt, HAPC's Chairman, has personally guaranteed HAPC's payment of up to \$3,000,000 in break up fees to I-Flow in the event that that Stock Purchase Agreement is terminated by I-Flow (i) because of HAPC's failure to obtain the stockholder approval required by the terms of the Stock Purchase Agreement by April 30, 2007 for any reason or (ii) because HAPC or Acquisition Sub is unwilling or unable to consummate the transactions contemplated by the Stock Purchase Agreement, notwithstanding the fact that all conditions precedent to the Stock Purchase Agreement to be satisfied by I-Flow and InfuSystem have been satisfied or are capable of fulfillment.

HAPC expects to incur significant costs associated with the acquisition, whether or not the acquisition is completed, which will reduce the amount of cash otherwise available for other corporate purposes.

HAPC expects to incur significant costs associated with the acquisition, whether or not the acquisition is completed. These costs will reduce the amount of cash otherwise available for other corporate purposes. Transaction costs will be expensed by the respective parties whether or not the acquisition is consummated. HAPC estimates that it will incur direct transaction costs of approximately \$2,300,000. There is no assurance that the actual costs may not exceed these estimates. In addition, InfuSystem and/or HAPC may incur additional material charges reflecting additional costs associated with the acquisition in fiscal quarters subsequent to the quarter in which the acquisition was consummated. There is no assurance that the significant costs associated with the acquisition will prove to be justified in light of the benefits ultimately realized.

The consummation of the acquisition could result in disruptions in business, loss of customers or contracts or other adverse effects.

The consummation of the acquisition may cause disruptions, including potential loss of business partners and customers, in the business of InfuSystem, which could have material adverse effects the operations of InfuSystem subsequent to the merger of Acquisition Sub with and into InfuSystem. InfuSystem's customers, and other business partners, in response to the consummation of the acquisition, may adversely change or terminate their relationships with InfuSystem, which could have a material adverse effect on the business of InfuSystem.

The pro forma financial statements are not an indicator of InfuSystem's financial condition or results of operations following the acquisition.

The pro forma financial statements contained in this proxy statement are not an indicator of the InfuSystem's financial condition or results of operations following the acquisition. The pro forma financial statements have been derived from the historical financial statements of InfuSystem and HAPC and many adjustments and assumptions have been made regarding InfuSystem after giving effect to the acquisition. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy. As a result, the actual financial condition and results of operations of InfuSystem following the acquisition may not be consistent with, or evident from, these pro forma financial statements.

If HAPC's initial stockholders exercise their registration rights after the consummation of the acquisition, it may have an adverse effect on the market price of HAPC's common stock.

HAPC's initial stockholders are entitled to demand that HAPC register the resale of their shares of common stock at any time six months following the consummation of the acquisition, pursuant to the terms of their

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respective lock-up agreements. If HAPC's initial stockholders exercise their registration rights with respect to all of the shares of common stock held by them, then there will be at least 1,750,001 shares of common stock eligible for trading in the public market (in addition to 2,000,000 shares of common stock to be issued to Sean McDevitt and 416,666 shares of common stock to be issued to Pat LaVecchia by HAPC on the date that is the later of six months after completion of the acquisition or April 11, 2007). The presence of this additional number of shares of common stock eligible for trading in the public market may have an adverse effect on the market price of the common stock after the acquisition.

If the acquisition's benefits do not meet the expectations of the marketplace, or financial or industry analysts, the market price of HAPC's common stock may decline.

The market price of HAPC's common stock may decline as a result of the acquisition if InfuSystem does not perform as expected, or HAPC does not otherwise achieve the perceived benefits of the acquisition as rapidly as, or to the extent anticipated by the marketplace, or financial or industry analysts. Accordingly, investors may experience a loss as a result of a decreasing stock price and HAPC may not be able to raise future capital, if necessary, in the equity markets.

As a result of the acquisition, HAPC stockholders will be solely dependent on a single business.

As a result of the acquisition, HAPC's stockholders will be solely dependent upon the performance of InfuSystem and its business. InfuSystem will be subject to a number of risks that relate generally to the healthcare industry and other risks that relate specifically to InfuSystem.

Risks Relating to the Business and Operations Following the Acquisition of InfuSystem

The value of your investment in HAPC following consummation of the acquisition will be subject to the significant risks inherent in the healthcare industry. You should carefully consider the risks and uncertainties described below and other information included in this proxy statement. If any of the events described below occur, the business and financial results of InfuSystem subsequent to the acquisition could be materially adversely affected. This could cause the trading price of HAPC's common stock to decline, perhaps significantly, and stockholders therefore may lose all or part of their investment.

InfuSystem is dependent on its Medicare Supplier Number.

InfuSystem has obtained a Medicare Supplier Number and is required to comply with Medicare Supplier Standards in order to maintain such number. If InfuSystem ceases to be able to comply with the relevant standards, it could lose its Medicare Supplier Number, which is the primary identification number used with InfuSystem's various third-party payors. The loss of such identification number for any reason would have a material adverse effect on InfuSystem's business and revenues.

Changes in third-party reimbursement rates may adversely impact InfuSystem's revenues.

InfuSystem depends primarily on third-party reimbursement for the collection of its revenues. InfuSystem is paid directly by private insurers and governmental agencies, often on a fixed fee basis, for infusion equipment and related disposable supplies provided to patients. If the average fees allowable by private insurers or governmental agencies were reduced, the negative impact on revenues could have a material adverse effect on InfuSystem's financial condition and results of operations.

InfuSystem's customers frequently receive reimbursement from private insurers and governmental agencies. Any change in the overall reimbursement system may adversely impact InfuSystem's business. The health care reimbursement system is in a constant state of change.

Changes often create financial incentives and disincentives that encourage or discourage the use of a particular type of product, therapy or clinical procedure. Market acceptance of infusion therapy may be adversely

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affected by changes or trends within the reimbursement system. Changes to the health care system that favor technologies or treatment regimens other than InfuSystem's or that reduce reimbursements to providers or treatment facilities that use InfuSystem's products may adversely affect InfuSystem's ability to market its products profitably.

InfuSystem's customers are heavily dependent on payment for their services by private insurers and governmental agencies. Changes in the reimbursement system could adversely affect InfuSystem's participation in the industry. InfuSystem believes that the current trend in the insurance industry (both private and governmental) has been to eliminate cost-based reimbursement and to move towards fixed or limited fees for service, thereby encouraging health care providers to use the lowest cost method of delivering medications. Furthermore, certain payors may transition to competitive bidding programs to lower costs even more. These trends may discourage the use of InfuSystem's products, create downward pressure on InfuSystem's average prices, and, ultimately, negatively affect InfuSystem's revenues and profit margins.

InfuSystem's success is impacted by the availability of the chemotherapy drugs that are used in InfuSystem's infusion pump systems.

InfuSystem primarily derives its revenue from the rental of ambulatory infusion pump systems to oncology patients through physicians' offices and chemotherapy clinics. A shortage in the availability of chemotherapy drugs that are used in the infusion pump systems, including the commonly-used chemotherapy drug known as 5-Fluorouracil, could have a material adverse effect on InfuSystem's financial condition and results of operations. For instance, InfuSystem believes a shortage of 5-Fluorouracil in the fourth quarter of 2005 resulted in an unfavorable revenue impact of approximately \$1.9 million. The 5-Fluorouracil shortage continued into the first quarter of 2006 and, although availability of 5-Fluorouracil returned to normal at the end of the first quarter of 2006, revenue was affected during the second quarter of 2006 due to a decline in the number of patients in the pipeline who had to turn to other medications. Future shortages of 5-Fluorouracil or other commonly-used chemotherapy drugs could negatively impact InfuSystem's revenue and financial condition.

InfuSystem's revenues are heavily dependent on physicians' acceptance of infusion therapy as a preferred therapy since a significant percentage of patients are treated with oral medications. If new oral medications are introduced or future clinical studies demonstrate that oral medications are as effective or more effective than infusion therapy, InfuSystem's business could be adversely affected.

Continuous infusion therapy is currently preferred by many physicians over oral medication treatment despite the more cumbersome aspects of maintaining a continuous infusion regimen. The reasons for these physicians' preference are varied, including a belief that infusion therapy involves fewer adverse side effects and may provide greater therapeutic benefits. Numerous clinical trials are currently ongoing, evaluating and comparing the therapeutic benefits of current infusion-based regimens with various oral medication regimens. If these clinical trials demonstrate that oral medications provide equal or greater therapeutic benefits and/or demonstrate reduced side effects from prior oral medication regimens, InfuSystem's revenues and overall business could be materially and adversely affected. Additionally, if new oral medications are introduced to the market that are superior to existing oral therapies, physicians' willingness to prescribe infusion-based regimens could decline, which would adversely affect InfuSystem's financial condition and results of operations.

InfuSystem's growth strategy includes expansion into infusion treatment for cancers other than the colorectal type. There can be no assurance that infusion-based regimens for these other cancers will become accepted or that InfuSystem will be successful in penetrating these different markets.

An aspect of InfuSystem's growth strategy is to expand into the treatment of other cancers, such as head, neck, esophagus, stomach and lung. Currently, however, there is not widespread acceptance of infusion-based therapies in the treatment of these other cancers and future acceptance of continuous infusion therapies depends on new protocols for existing drugs and approval of new drugs currently in clinical trials. No assurances can be

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given that these new drugs will be approved or will prove superior to oral medication or other treatment alternatives. In addition, no assurances can be given that InfuSystem will be able to successfully penetrate any new markets that may develop in the future or manage the growth in additional resources that would be required.

InfuSystem's compliance with laws frequently involves subjective judgment. If InfuSystem is wrong in any of its interpretations of the laws, InfuSystem could be subjected to substantial penalties for noncompliance.

In the ordinary course of business, InfuSystem frequently makes subjective judgments with respect to complying with applicable state, local and foreign laws. If any of these authorities disagrees with InfuSystem's interpretation of, or objects to the manner in which InfuSystem has attempted to comply with, applicable law, InfuSystem could be subjected to substantial civil and criminal penalties and a recall, seizure or injunction with respect to its products. These types of actions against InfuSystem could have a material adverse effect on InfuSystem's financial condition and results of operations.

The industry in which InfuSystem operates is intensely competitive and changes rapidly. If InfuSystem is unable to maintain a lead over its competitors, its business operations may suffer.

The drug infusion industry is highly competitive. InfuSystem competes in this industry based primarily on price, service and performance. Some of InfuSystem's competitors and potential competitors have significantly greater resources than InfuSystem does for research and development, marketing and sales. As a result, they may be better able to compete for market share, even in areas in which InfuSystem's services may be superior. The industry is subject to technological changes and InfuSystem may not be able to maintain any existing advantage long enough to sustain profitability. If InfuSystem is unable to effectively compete in its market, its financial condition and results of operations may materially suffer.

InfuSystem relies on independent suppliers for its products. Any delay or disruption in the supply of products, particularly its supply of electronic ambulatory pumps, may negatively impact InfuSystem's operations.

InfuSystem's infusion pumps are obtained from outside vendors. The majority of InfuSystem's pumps are electronic ambulatory pumps which are supplied to InfuSystem by three major suppliers: Smiths Medical, Inc.; Hospira Worldwide, Inc.; and McKinley Medical, LLC. The loss or breakdown of InfuSystem's relationships with even one of these outside vendors could subject InfuSystem to substantial delays in the delivery of its products to customers. Significant delays in the delivery of products could result in possible cancellation of orders and the loss of customers. InfuSystem's inability to provide products to meet delivery schedules could have a material adverse effect on its reputation in the industry, as well as its financial condition and results of operations.

Although InfuSystem does not manufacture the products it distributes, if one of the products distributed by InfuSystem proves to be defective or is misused by a health care practitioner or patient, InfuSystem may be subject to liability that could adversely affect InfuSystem's financial condition and results of operations.

Although InfuSystem does not manufacture the products that it distributes, a defect in the design or manufacture of one of the products distributed by InfuSystem, or a failure of products distributed by InfuSystem to perform for the use specified, could have a material adverse effect on InfuSystem's reputation in the industry and subject InfuSystem to claims of liability for injuries and otherwise. Misuse of products distributed by InfuSystem by a practitioner or patient that results in injury could similarly subject InfuSystem to liability. Any substantial underinsured loss could have a material adverse effect on InfuSystem's financial condition and results of operations. Furthermore, any impairment of InfuSystem's reputation could have a material adverse effect on its sales, revenues, and prospects for future business.

InfuSystem will not be covered by insurance policies held by HAPC and will need to obtain its own insurance.

After the closing of the acquisition, InfuSystem will need to have its own insurance in place. InfuSystem will not be covered by the policies carried by HAPC. Among the various types of insurance that InfuSystem will

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need to obtain are liability insurance, worker's compensation insurance and product liability insurance. Insurance coverage is becoming increasingly expensive. As a result, InfuSystem may be unable to obtain sufficient insurance at a reasonable cost to protect against losses that could have a material adverse effect on its business.

The preparation of InfuSystem's financial statements in accordance with accounting principles generally accepted in the United States requires InfuSystem to make estimates, judgments, and assumptions that may ultimately prove to be incorrect.

The accounting estimates and judgments that management must make in the ordinary course of business affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented. If the underlying estimates are ultimately proven to be incorrect, subsequent adjustments resulting from errors could have a material adverse effect on InfuSystem's operating results for the period or periods in which the change is identified. For instance, InfuSystem sets reserve percentages for its uncollectible accounts. If actual results vary from these expected percentages, InfuSystem may be required to alter its bad debt expense. During the three and nine months ended September 30, 2006, InfuSystem experienced a bad debt increase of \$0.9 million and \$1.9 million, respectively.

InfuSystem may be required to make a significant cash payment to the State of Michigan Department of Treasury for use taxes imposed on InfuSystem's purchase of infusion pumps.

In August 2005, the State of Michigan Department of Treasury issued a decision and order of determination which provided that InfuSystem is liable for use taxes on its purchases of infusion pumps. As a result, InfuSystem has recorded through September 30, 2006 a cumulative net increase to gross fixed assets of \$1,168,000, a tax liability of \$1,281,000, a liability for accrued interest expense of \$210,000, and total expense of \$861,000. InfuSystem is currently appealing the decision. In the event that InfuSystem's appeal of the decision is not successful, InfuSystem may be required to make a payment in excess of \$1,491,000 to the State of Michigan Department of Treasury, which will result in a decrease in InfuSystem's available working capital.

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FORWARD-LOOKING STATEMENTS

HAPC believes that some of the information in this proxy statement constitutes forward-looking statements. You can identify these statements by forward-looking words such as may, expect, anticipate, contemplate, believe, estimate, intends, and continue or similar words. You should read statements that contain these words carefully because they:

discuss future expectations;

contain projections of future results of operations or financial condition; or

state other forward-looking information.

HAPC believes it is important to communicate its expectations to its stockholders. However, there may be events in the future that HAPC is not able to accurately predict or over which HAPC has no control. The risk factors and cautionary language discussed in this proxy statement provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by HAPC in its forward-looking statements, including among other things:

the number and percentage of HAPC stockholders voting against the acquisition proposal;

the increase in the principal amount of the promissory note used by InfuSystem to finance the acquisition as HAPC stockholders exercise their conversion rights;

the potential decrease in the market price of HAPC's common stock in the event that the acquisition's benefits do not meet the expectations of the market place;

legislation or regulatory environments, requirements or changes adversely affecting the businesses in which InfuSystem, Inc. is engaged; and

industry trends.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

All forward-looking statements included herein attributable to HAPC or any person acting on either party's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, HAPC undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the approval of the acquisition you should be aware that the occurrence of the events described in the Risk Factors section and elsewhere in this proxy statement could have a material adverse effect on HAPC upon completion of the acquisition.

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THE HAPC SPECIAL MEETING

The HAPC Special Meeting

HAPC is furnishing this proxy statement to you as part of the solicitation of proxies by the HAPC Board of Directors for use at the special meeting in connection with the proposed acquisition, the adoption of the HAPC 2006 Stock Incentive Plan and the amendment to HAPC's amended and restated certificate of incorporation. This proxy statement provides you with the information you need to be able to vote or instruct your vote to be cast at the special meeting.

Date, Time and Place

The special meeting will be held at _____ a.m., Eastern Time, on _____, at the offices of HAPC, to vote on each of the acquisition, the adoption of the HAPC 2006 Stock Incentive Plan and the amendment to the certificate of incorporation proposals.

Purpose of the Special Meeting

At the special meeting, the holders of HAPC common stock are being asked to:

approve the acquisition by Acquisition Sub of all of the issued and outstanding capital stock of InfuSystem pursuant to the Stock Purchase Agreement, dated as of September 29, 2006, by and among I-Flow, InfuSystem, HAPC and Acquisition Sub;

approve the adoption of the HAPC 2006 Stock Incentive Plan; and

approve the amendment of HAPC's certificate of incorporation to change the name of HAPC, INC. to InfuSystem Holdings, Inc.
The HAPC Board of Directors:

has unanimously determined that the acquisition, the adoption of the HAPC 2006 Stock Incentive Plan and the amendment to HAPC's certificate of incorporation proposals are fair to, and in the best interests of, HAPC and its stockholders;

has determined that the consideration to be paid by HAPC in connection with the acquisition of InfuSystem is fair to HAPC's current stockholders from a financial point of view and the fair market value of InfuSystem is equal to or greater than 80% of the value of the net assets of HAPC;

has unanimously approved and declared advisable the acquisition, the adoption of the HAPC 2006 Stock Incentive Plan and the amendment to HAPC's amended and restated certificate of incorporation proposals; and

unanimously recommends that the holders of HAPC common stock vote FOR the proposal to approve the acquisition of all of the issued and outstanding capital stock of InfuSystem, FOR the approval of the HAPC 2006 Stock Incentive Plan and FOR the approval of the amendment to HAPC's certificate of incorporation in order to change its name to InfuSystem Holdings, Inc.

Record Date; Who is Entitled to Vote

The Record Date for the special meeting is _____, 2006. Record holders of HAPC common stock at the close of business on the Record Date are entitled to vote or have their votes cast at the special meeting. On the Record Date, there were _____ outstanding shares of HAPC common stock.

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Each share of HAPC common stock is entitled to one vote per share at the special meeting.

Any shares of HAPC common stock purchased prior to the initial public offering will be voted in accordance with the majority of the votes cast at the special meeting on the acquisition proposal (although such

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vote will not affect the outcome, since the majority of the votes cast by holders of common stock acquired in the initial public offering or afterwards is required to approve the acquisition), and in favor of the stock incentive plan proposal and the amendment to certificate of incorporation proposal. The holders of common stock acquired in HAPC's initial public offering or afterwards are free to vote such shares, as they see fit.

HAPC's issued and outstanding warrants do not have voting rights and record holders of HAPC warrants will not be entitled to vote at the special meeting.

Voting Your Shares

Each share of HAPC common stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of HAPC common stock that you own.

There are two ways to vote your shares of HAPC common stock at the special meeting:

You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by the HAPC Board, FOR the approval of the acquisition proposal, FOR the approval of the stock incentive plan proposal and FOR approval of the amendment to the amended and restated certificate of incorporation proposal.

You can attend the special meeting and vote in person. HAPC will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way HAPC can be sure that the broker, bank or nominee has not already voted your shares.

Who Can Answer Your Questions About Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your HAPC common stock, you may call HAPC's Secretary at (212) 418-5070.

No Additional Matters May Be Presented at the Special Meeting

This special meeting has been called only to consider the approval of the acquisition, the HAPC 2006 Stock Incentive Plan and amendment to amended and restated certificate of incorporation proposals. Under HAPC's bylaws, other than procedural matters incident to the conduct of the meeting, no other matters may be considered at the special meeting if they are not included in the notice of the meeting.

Revoking Your Proxy

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

You may send another proxy card with a later date;

You may notify HAPC's Secretary addressed to HAPC, in writing before the special meeting that you have revoked your proxy; and

You may attend the special meeting, revoke your proxy, and vote in person.

Vote Required

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The acquisition of all of the issued and outstanding capital stock of InfuSystem by Acquisition Sub cannot be completed unless holders as of , 2006 (the Record Date) of at least a majority of the shares of HAPC s common stock issued in HAPC s initial public offering, including shares subsequently purchased in the

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open market, that are present in person or by proxy and entitled to vote at the special meeting and that vote on the proposal, approve the acquisition, provided less than 20% of the shares of HAPC's common stock issued in HAPC's initial public offering vote against the acquisition proposal and elect a cash conversion of their shares.

The approval of the adoption of the HAPC 2006 Stock Incentive Plan will require the affirmative vote of holders as of the Record Date of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the special meeting.

The approval of the adoption of the amendment to HAPC's amended and restated certificate of incorporation will require the affirmative vote of holders as of the Record Date of a majority of the shares of HAPC's common stock issued and outstanding as of the Record Date.

Abstentions and Broker Non-Votes

If your broker holds your shares in its name and you do not give the broker voting instructions, your broker may not vote your shares on the proposal to approve the acquisition of InfuSystem pursuant to the Stock Purchase Agreement, the proposal to adopt the HAPC 2006 Stock Incentive Plan or the proposal to amend the amended and restated certificate of incorporation. If you do not give your broker voting instructions and the broker does not vote your shares, this is referred to as a broker non-vote.

An abstention or a broker non-vote with respect to the acquisition proposal will have no effect since the acquisition proposal requires the affirmative vote of a majority of the votes cast by holders of eligible shares. An abstention or a broker non-vote with respect to the proposal to adopt the HAPC 2006 Stock Incentive Plan will have the same effect as a vote against the proposal since it is not an affirmative vote in favor of the proposal but will be included in the determination of the number of shares present in person or by proxy. An abstention or a broker non-vote with respect to the proposal to amend the amended and restated certificate of incorporation will have the same effect as a vote against the proposal since it is not an affirmative vote in favor of the proposal but will be included in the determination of the number of shares issued and outstanding as of the Record Date.

Abstentions and broker non-votes will be counted for purposes of determining the presence of a quorum.

Failure to Vote

A failure to vote by not returning a signed proxy card will have no impact upon the proposals to approve the acquisition of InfuSystem or, to adopt the HAPC 2006 Stock Incentive Plan, and will have the same effect as a vote against the proposal to amend the amended and restated certificate of incorporation. Failure to vote will not have the effect of converting your shares into a pro rata portion of the trust account.

Conversion Rights

Any stockholder of HAPC holding shares of common stock issued in HAPC's initial public offering who votes against the acquisition proposal may, at the same time, demand that HAPC convert his shares into a pro rata portion of the trust account. If so demanded, upon consummation of the acquisition, HAPC will convert these shares into a pro rata portion of funds held in a trust account, which consisted of approximately \$98,016,572, as of October 31, 2006, of net proceeds from the initial public offering, plus interest earned thereon after such date. If the holders of 20%, or 3,375,050, or more shares of common stock issued in HAPC's initial public offering vote against the acquisition proposal and demand conversion of their shares into a pro rata portion of the trust account, HAPC will not be able to consummate the acquisition. Based on the amount of cash held in the trust account as of October 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$5.81 per share, less income taxes owed on accrued interest.

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If the acquisition is not consummated, you will not receive any such payment. However, HAPC will be liquidated in accordance with the terms of its amended and restated certificate of incorporation if (i) it does not consummate a business combination by October 18, 2007, or (ii) if a letter of intent, agreement in principle or definitive agreement is executed, but not consummated, by October 18, 2007 then by April 18, 2008 (24 months after the consummation of its initial public offering). In any liquidation, the net proceeds of HAPC's initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of HAPC's common stock who purchased their shares in HAPC's initial public offering or thereafter.

If you exercise your conversion rights, then you will be exchanging your shares of HAPC common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the acquisition and then tender your stock certificate to HAPC. The closing price of HAPC's common stock on November 30, 2006, was \$5.60 and the amount of cash held in the trust account was approximately \$98,016,572 as of October 31, 2006, plus interest accrued thereon after such date. If an HAPC stockholder elected to exercise his conversion rights on such date, then, without taking into account any interest accrued after such date, he would have been entitled to receive \$5.81 per share, less income taxes owed on accrued interest. Prior to exercising conversion rights, HAPC stockholders should verify the market price of HAPC's common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights.

Solicitation Costs

HAPC is soliciting proxies on behalf of the HAPC Board of Directors. This solicitation is being made by mail but also may be made by telephone or in person. HAPC and its respective directors and officers may also solicit proxies in person, by telephone or by other electronic means, and in the event of such solicitations, the information provided will be consistent with this proxy statement and enclosed proxy card. These persons will not be paid for doing this. HAPC will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy statement materials to their principals and to obtain their authority to execute proxies and voting instructions. HAPC will reimburse them for their reasonable expenses.

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PROPOSAL 1

THE ACQUISITION PROPOSAL

The discussion in this proxy statement of the acquisition and the principal terms of the Stock Purchase Agreement dated September 29, 2006, or Stock Purchase Agreement, by and among InfuSystem, I-Flow, HAPC and Acquisition Sub, is subject to, and is qualified in its entirety by reference to, the Stock Purchase Agreement. A copy of the Stock Purchase Agreement attached as Annex A to this proxy statement.

General Description of the Acquisition

Pursuant to the Stock Purchase Agreement, Acquisition Sub will acquire 100% of the issued and outstanding capital stock of InfuSystem from I-Flow. Concurrently with Acquisition Sub's acquisition of all of the issued and outstanding capital stock of InfuSystem, Acquisition Sub will merge with and into InfuSystem. After the merger, Acquisition Sub will cease to exist as an independent entity and InfuSystem, as the surviving corporation, will continue its corporate existence under the laws of the State of California.

Background of the Acquisition

The terms of the Stock Purchase Agreement are the result of arm's-length negotiations between representatives of HAPC and I-Flow. The following is a brief discussion of the background of these negotiations, the acquisition and related transactions.

HAPC was formed in Delaware on August 15, 2005. HAPC was formed specifically as a vehicle to acquire, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses primarily in the healthcare sector. The initial business combination entered into by HAPC must be with a target business or businesses whose fair market value is at least equal to 80% of net assets at the time of such acquisition.

A registration statement for HAPC's initial public offering was declared effective on April 11, 2006. On April 18, 2006, HAPC consummated its initial public offering of 16,666,667 units at a price of \$6.00 per unit. On May 18, 2006, HAPC sold 208,584 units to FTN Midwest Securities Corp., the underwriter of HAPC's initial public offering, pursuant to a partial exercise by FTN Midwest Securities Corp. of its overallotment option. The units were sold at the offering price of \$6.00 per unit, minus FTN Midwest Securities Corp.'s 7% underwriting discount. Each unit consists of one share of the HAPC's common stock, \$.0001 par value, and two redeemable common stock purchase warrants. The common stock and warrants began trading separately on the OTC Bulletin Board as of June 15, 2006.

Each warrant entitles the holder to purchase from HAPC one share of common stock at an exercise price of \$5.00 commencing on the later of the completion of a business combination or one year from the effective date of the initial public offering and expiring five years from the effective date of the initial public offering.

HAPC may call the warrants for redemption in whole and not in part at a price of \$.01 per warrant at any time after the warrants become exercisable. The warrants cannot be redeemed unless the warrant holders receive written notice not less than 30 days prior to the redemption; and, if, and only if, the reported last sale price of the common stock equals or exceeds \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to holders of the warrants.

In addition, on April 18, 2006, HAPC issued to FTN Midwest Securities Corp., for \$100, an option to purchase up to a total of 833,333 units. The units issuable upon exercise of this option are identical to those offered in the initial public offering, except that each of the warrants underlying this option entitles the holder to purchase one share of common stock at a price of \$6.25. This option is exercisable at \$7.50 per unit commencing on the later of the consummation of a business combination or April 11, 2007 and expires on April 11, 2011. The option may only be exercised or converted by the option holder.

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In connection with the initial public offering, HAPC paid to FTN Midwest Securities Corp. an underwriting discount of 7% of the initial public offering price and a non-accountable expense allowance of 1% of the initial public offering price.

The net proceeds from the sale of the HAPC units were approximately \$98,011,000 which includes a contingent underwriting fee of \$5,468,000. Of this amount, \$96,215,000 was deposited in trust and, in accordance with HAPC's amended and restated certificate of incorporation, will be released either upon the consummation of a business combination or upon the liquidation of HAPC. The remaining \$1,796,000 was held outside of the trust to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. As of October 31, 2006, approximately \$98,016,572 was held in deposit in the trust account.

Following its initial public offering in April 2006, HAPC's officers and directors contacted various principals and intermediaries such as investment banks, private equity firms and business brokers in order to generate ideas for a suitable business combination. HAPC informed its business contacts that it had consummated an initial public offering and was seeking an operating business in the healthcare industry. HAPC encouraged business brokers to contact clients who might constitute potential acquisition targets and explore the possibility of a transaction.

On April 27, 2006, HAPC received an invitation to participate in a private solicitation process held by I-Flow to sell InfuSystem. HAPC engaged FTN to advise it in connection with its bid. On April 29, 2006, HAPC received the InfuSystem executive summary and a nondisclosure agreement. On May 3, 2006, HAPC signed the nondisclosure agreement with I-Flow. On May 12, 2006, HAPC received a bid instruction letter. On May 18, 2006, HAPC submitted a preliminary indication of interest of \$135,000,000 to \$150,000,000. On May 23, 2006, HAPC was informed that it was invited to continue in the sale process.

On June 2, 2006, HAPC and its advisors were provided with access to an electronic data room containing detailed information regarding InfuSystem. HAPC received an initial draft stock purchase agreement and final bid instructions on June 7, 2006. HAPC continued to perform due diligence through June, 2006, employing legal, accounting, information technology and healthcare industry experts to assist with its investigation.

On June 13, 2006, HAPC attended an InfuSystem management presentation in Troy, Michigan. Two weeks later, on June 28, 2006, HAPC participated on a call with Steven E. Watkins, president of InfuSystem, to discuss management's financial projections. On July 16, 2006, the HAPC board of directors met and gave management the authority to bid up to \$135,000,000 for the purchase of InfuSystem. On July 17, 2006, HAPC submitted a \$130,000,000 bid and a mark-up of the Stock Purchase Agreement to I-Flow.

Between July 20, 2006 and July 27, 2006, HAPC entered into non-disclosure agreements with certain of its existing stockholders to discuss the potential acquisition of InfuSystem.

On July 27, 2006, representatives of FTN Midwest Securities Corp. met I-Flow's financial advisor to discuss HAPC's proposal. In particular, they discussed the mechanics by which HAPC must obtain stockholder approval of the transaction and other structural issues. In addition, I-Flow's financial advisor informed FTN that HAPC's offer was lower than other offers that had been received by I-Flow and that HAPC would have to increase its offer in order to make it the winning bid. On August 1, 2006, the HAPC board of directors held a call to discuss HAPC's process for bidding to purchase InfuSystem. On August 1, 2006, HAPC increased the bid to purchase InfuSystem to \$135,000,000. I-Flow informed HAPC that its offer was insufficient. On August 3, 2006, the HAPC board of directors increased the bid to purchase InfuSystem to \$140,000,000 and agreed to modify certain elements of its offer and to provide for a \$3,000,000 termination fee as described herein. On August 8, 2006, HAPC was informed that it was the winning bidder.

On August 9, 2006, HAPC entered into an exclusivity agreement with I-Flow. On August 15, 2006, representatives of HAPC and FTN Midwest Securities Corp. met with InfuSystem for a due diligence session in

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Troy, Michigan. HAPC and its advisors continued to perform due diligence through September 29, 2006. Between August 9, 2006 and September 29, 2006, I-Flow, HAPC and their respective advisors discussed and negotiated the terms of the Stock Purchase Agreement and the terms of the I-Flow promissory note.

On September 20, 2006, HAPC received the final audit report for InfuSystem from I-Flow. On September 29, 2006, the HAPC board of directors met to approve the final draft Stock Purchase Agreement and to receive a fairness opinion from BNY Capital Markets, Inc.

Interest of HAPC Directors and Officers in the Acquisition

In considering the recommendation of the Board of Directors of HAPC to vote for the proposals to adopt the acquisition, you should be aware that certain members of the HAPC Board have agreements or arrangements that provide them with interests in the acquisition that differ from, or are in addition to, those of HAPC stockholders generally. In particular:

if the acquisition is not approved and HAPC fails to consummate an alternative transaction within the time allotted pursuant to its amended and restated certificate of incorporation and HAPC is therefore required to liquidate, the shares of common stock and warrants held by HAPC's executives, directors and special advisors will be worthless because HAPC's executives, directors and special advisors are not entitled to receive any of the net proceeds of HAPC's initial public offering that may be distributed upon the liquidation of HAPC. HAPC's executives, directors and special advisors own a total 1,750,001 shares of HAPC common stock that have a market value of \$9,800,006 based on HAPC's share price of \$5.60 as of November 30, 2006. However, as HAPC's officers, directors and special advisors are contractually prohibited from selling their shares of common stock until six months after HAPC's initial business combination has been completed, during which time the value of the shares may increase or decrease, it is impossible to determine what the financial impact of the acquisition will be on HAPC's officers and directors;

the Board of Directors has approved the grant of 2,000,000 shares of common stock to Sean McDevitt and 416,666 shares of common stock to Pat LaVecchia on the date that is the later of six months after the completion of the acquisition of InfuSystem, or another business combination, or April 11, 2007 (which is the first anniversary of the completion of HAPC's initial public offering). If the acquisition of InfuSystem, or another business combination is not completed, Messrs. McDevitt and LaVecchia will not receive such shares;

FTN Midwest Securities Corp. acted as advisor to HAPC in connection with the negotiation of the acquisition. Upon closing of the acquisition, FTN may receive a fee in an amount to be agreed. In the event the transaction does not close, FTN will receive no consideration. Messrs. McDevitt and LaVecchia are Managing Directors of FTN;

in consideration of the guaranty by Sean McDevitt and Philip B. Harris of the break up fee of up to \$3,000,000 payable by HAPC to I-Flow in connection with the termination of the Stock Purchase Agreement under certain circumstances, HAPC has agreed to pay Messrs. McDevitt and Harris a fee of \$100,000 upon delivery of the Guaranty and \$300,000 upon closing of the transactions contemplated by, or the termination of, the Stock Purchase Agreement. Messrs. McDevitt and Harris have applied to JPMorgan Chase Bank to issue a letter of credit for the benefit of I-Flow which I-Flow may draw upon in the event that the \$3,000,000 or \$1,000,000 break up fee, as the case may be, is not paid when due and payable. Messrs. McDevitt and Harris will deliver the letter of credit to I-Flow once it has been issued by JPMorgan Chase Bank; and

pursuant to the terms of an employment agreement under negotiation between HAPC and Steven E. Watkins, chief executive officer of InfuSystem, it is anticipated that Mr. Watkins will replace John Voris as chief executive officer of HAPC upon completion of the acquisition. Mr. Watkins will also become a member of HAPC's Board of Directors. At the time the acquisition is completed, HAPC intends to recruit a new chief financial officer and it is contemplated that upon the successful recruitment of a new chief financial officer, Erin Enright, the current chief financial officer of HAPC, will resign.

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HAPC's Reasons for the Acquisition and Recommendation of the HAPC Board of Directors

The HAPC Board of Directors has concluded that the acquisition of InfuSystem is in the best interests of HAPC's stockholders. In reaching its decision, the HAPC Board of Directors considered the points listed below.

InfuSystem's growth prospects

InfuSystem's revenue grew 49% in 2004, 47% in 2005 and 23% during June year-to-date 2006 and InfuSystem's earnings increased 145%, 74% and 30% during those periods respectively. HAPC believes that the market acceptance of continuous infusion therapy for colorectal cancer is growing and may also increase in the treatment of other cancers in the future. HAPC also believes that InfuSystem should be able to leverage its strong position in the sector to share in that growth.

InfuSystem's profitability

InfuSystem's operating profit as a percentage of revenue has been 24%, 28% and 29% for 2004, 2005 and June year-to-date 2006. HAPC believes that these margins are superior to many other competitors and that InfuSystem will be able to sustain these margins because of its unique services offered, nationwide presence, contracts with payors and relationship with physicians' offices.

The experience of InfuSystem's management

Another important criteria to HAPC's Board of Directors in identifying an acquisition target was that the company must have a seasoned management team with specialized knowledge of the markets within which it operates and the ability to lead a growth company. InfuSystem's management team has worked together for over ten years and positioned InfuSystem for the growth that it has recently experienced. InfuSystem's management team is led by Steven E. Watkins, president and founder of InfuSystem, who will remain with the business as president and chief executive officer of InfuSystem after the acquisition.

Mr. Watkins has been the president of InfuSystem since 1998. He was one of the founders of Venture Medical, a predecessor to InfuSystem. Prior to joining InfuSystem, Mr. Watkins was Vice President of Aventric Medical, Inc., a Midwest distributor of high-tech equipment such as pacemakers, cardiac imaging devices and drug delivery systems. Concurrent with the start-up of InfuSystem, Mr. Watkins was President of Medical Reimbursement Solutions, a third-party billing company that formatted and transmitted billing claims on behalf of infusion centers, physicians and hospitals.

Janet Skonieczny has been the vice president of operations of InfuSystem since 1998. Prior to this time, Ms. Skonieczny was the office manager of Aventric Medical.

Stephen Revere has been the controller of InfuSystem, and its predecessor, Venture Medical, since 1992. Prior to joining InfuSystem, he was the controller for PRN Group and a partner at the accounting firm Revere & Greer PC. Mr. Revere is a certified public accountant.

InfuSystem's ability to operate as a public company.

HAPC's Board of Directors believes that InfuSystem has the scale, management depth and experience and financial strength to operate as publicly traded company.

The terms of the Stock Purchase Agreement

The terms of the Stock Purchase Agreement with InfuSystem, including the closing conditions, restrictions on HAPC's and InfuSystem's ability to respond to competing proposals and termination provisions, are customary and reasonable. It was important to HAPC's Board of Directors that the Stock Purchase Agreement include customary terms and conditions as it believed that such terms and conditions would allow for a more efficient closing process and lower transaction expenses.

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HAPC's Board of Directors believes that each of the above factors strongly supported its determination and recommendation to approve the acquisition. HAPC's Board of Directors did, however, consider the following potentially negative factors, among others, including the Risk Factors, in its deliberations concerning the acquisition:

The risk that its public stockholders would vote against the acquisition and exercise their conversion rights.

HAPC's Board of Directors considered the risk that the current public stockholders of HAPC would vote against the acquisition and demand to redeem their shares for cash upon consummation of the acquisition, thereby depleting the amount of cash available to the combined company following the acquisition. HAPC's Board of Directors decided to proceed with the acquisition in part because (i) it believed that suitability of the acquisition as a business opportunity for HAPC increased the likelihood that less than 20% of the HAPC stockholders would exercise their conversion rights and (ii) I-Flow agreed to increase the amount of the promissory note to fund the acquisition from \$55,000,000 to \$75,000,000, the difference used to pay those HAPC stockholders who convert their shares.

Certain officers and directors of HAPC may have different interests in the acquisition than the HAPC stockholders.

HAPC's Board of Directors considered the fact that certain officers and directors of HAPC may have interests in the acquisition that are different from, or are in addition to, the interests of HAPC stockholders generally, including the matters described under "Interests of HAPC Directors and Officers in the Acquisition" above. However, this fact would exist with respect to an acquisition of any target company.

The limitations on indemnification set forth in the Stock Purchase Agreement.

HAPC's Board of Directors considered the limitations on indemnification set forth in the Stock Purchase Agreement. See the section entitled "The Stock Purchase Agreement - Indemnification". The Board of Directors of HAPC determined that any definitive agreement with any target company would contain similar limitations.

After deliberation, the HAPC Board of Directors determined that these potentially negative factors were outweighed by the potential benefits of the acquisition, including the opportunity for HAPC stockholders to