

HAPC, Inc.  
Form 10-Q/A  
February 14, 2007  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

\_\_\_\_\_  
**FORM 10-Q/A**  
\_\_\_\_\_

X **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2006.**

or

.. **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.**

Commission File Number: 000-51902

\_\_\_\_\_  
**HAPC, INC.**  
\_\_\_\_\_

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of

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

Incorporation or Organization)

**350 Madison Avenue, New York, New York, 10017**

(Address of Principal Executive Offices including Zip Code)

**(212) 418-5070**

(Registrant's Telephone Number, Include Area Code)

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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (check one).

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

Indicated by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 20, 2006, 21,041,918 shares of the registrant's common stock, par value \$0.0001 per share, were outstanding.

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**HAPC, INC.**

**Explanatory Note**

As discussed in Note 4 to the condensed consolidated financial statements included herein, HAPC, INC. (the Company) has restated in this Quarterly Report on Form 10-Q/A (the Form 10-Q/A) the Condensed Consolidated Financial Statements as of September 30, 2006 and for the three and nine months ended September 30, 2006, the period from August 15, 2005 (inception) to September 30, 2006 and the period January 1, 2006 to September 30, 2006 included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006 originally filed with the United States Securities and Exchange Commission (the SEC) on November 14, 2006 (the Form 10-Q).

On February 14, 2007, the management of the Company, after discussion with the Company's Audit Committee, determined that it was necessary for the Company to restate the Company's unaudited interim financial statements as of and for the three and nine months ended September 30, 2006 previously filed with the SEC on November 14, 2006 included in the Form 10-Q.

The Company's Condensed Consolidated Financial Statements referenced above have been restated to reflect gains and losses related to the warrants to purchase common stock associated with the units sold in connection with the Company's initial public offering in April 2006 and the partial exercise of the underwriter's over allotment option in May 2006. The Company had previously classified the value of these warrants to purchase common stock as equity. Subsequent to filing the Company's Form 10-Q, management determined that these warrants should have been classified as liabilities and, therefore, the fair value of each warrant must be recorded as a liability on the Company's balance sheet. Subsequent changes in the fair values of these warrants results in adjustments to the amount of the recorded liability, and the corresponding gain or loss recorded in the Company's statement of operations.

Additionally, the Company's statement of cash flows for the period from August 15, 2005 (inception) to September 30, 2006 includes mathematical corrections in the adjustments column to correct the as previously reported column in the Form 10-Q. The net loss adjustment includes \$385,694, which is a mathematical correction, and the warrant liability adjustment of \$9,450,140. The net cash used in investing activities line item includes a \$1,000,000 adjustment to correct a mathematical error and the proceeds from public offering line item included in cash flows from financing includes a \$100,000 adjustment to correct a mathematical error.

All the information in this Form 10-Q/A is as of November 14, 2006, the date the Company originally filed its Form 10-Q with the SEC, and does not reflect any subsequent information or events other than the restatement discussed in Note 4 to the Condensed Consolidated Financial Statements appearing in this Form 10-Q/A. For the convenience of the reader, this Form 10-Q/A sets forth the originally filed Form 10-Q in its entirety. However, the following items have been amended solely as a result of, and to reflect, the restatement, and no other information in the Form 10-Q/A is amended hereby as a result of the restatement:

Part I, Item 1, Financial Statements

Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations

Part I, Item 4, Controls and Procedures

Part II, Item 6, Exhibits

The Company is including currently dated Sarbanes-Oxley Act Section 302 and Section 906 certifications of the Chief Executive Officer and Chief Financial Officer that are attached to this Form 10-Q/A as Exhibits 31.1, 31.2, 32.1 and 32.2.

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HAPC, INC. AND SUBSIDIARY

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**Table of Contents****PART I - FINANCIAL INFORMATION****Item 1. Financial Statements****HAPC, INC. AND SUBSIDIARY****(formerly HEALTHCARE ACQUISITION PARTNERS CORP.)**

(a corporation in the development stage)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

	September 30, 2006 (Restated, see Note 4)	December 31, 2005
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 609,232	\$ 13,590
Investments held in trust	97,625,231	
Prepaid expenses	349,400	
Deferred offering costs		165,088
Deferred acquisition costs	385,694	
<b>Total assets</b>	<b>\$ 98,969,557</b>	<b>\$ 178,678</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b>		
<b>Current Liabilities:</b>		
Accrued expenses	\$ 15,000	\$ 93,954
Stockholder advance	100	100
Notes payable		85,000
Deferred underwriting fees	5,468,000	
Warrant liabilities	10,462,656	
<b>Total Liabilities</b>	<b>15,945,756</b>	<b>179,054</b>
<b>COMMITMENTS</b>		
Common stock subject to possible conversion 3,373,363 and 0 shares, respectively at conversion value	19,515,284	
<b>Stockholders Equity (Deficit)</b>		
Preferred stock, \$.0001 par value; authorized 1,000,000 shares; none issued and outstanding		
Common stock, \$.0001 par value; authorized 200,000,000 shares; issued 21,041,918 and 4,166,667, respectively and outstanding 18,625,252 and 1,750,001, respectively	2,104	417
Additional paid-in capital	71,559,128	23,990
Deficit accumulated during the development stage	(8,052,715)	(24,783)
<b>Total stockholders equity (deficit)</b>	<b>63,508,517</b>	<b>(376)</b>

<b>Total liabilities and stockholders equity</b>	<b>\$ 98,969,557</b>	<b>\$ 178,678</b>
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See accompanying notes to condensed consolidated financial statements.

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(a corporation in the development stage)

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

			For the Period From	For the period from
	Three Months Ended September 30,	Nine Months Ended September 30,	August 15, 2005 (inception) to September 30,	August 15, 2005 (inception) to September 30,
	2006 (Restated, see Note 4)	2006 (Restated, see Note 4)	2005	2006 (Restated, see Note 4)
Revenues	\$	\$	\$	\$
General and Administrative expenses	\$ 14,335,804	\$ 18,895,774	\$ 56	\$ 18,920,257
<b>Loss from operations</b>	<b>(14,335,804)</b>	<b>(18,895,774)</b>	<b>(56)</b>	<b>(18,920,257)</b>
Other Income (Expenses):				
Interest income	1,174,645	2,031,677		2,031,677
Interest expense		(1,011)		(1,311)
Gain (loss) on warrant liabilities	(337,505)	9,450,140		9,450,140
	837,140	11,480,806		11,480,506
<b>Loss before provision for income taxes</b>	<b>(13,498,664)</b>	<b>(7,414,968)</b>	<b>(56)</b>	<b>(7,439,751)</b>
Provision for income taxes	(421,071)	(612,964)		(612,964)
<b>Net loss</b>	<b>\$ (13,919,735)</b>	<b>\$ (8,027,932)</b>	<b>(56)</b>	<b>\$ (8,052,715)</b>
Net loss per share	\$ (0.75)	\$ (.67)	\$ 0.00	\$ (.89)
Weighted average shares outstanding basic and diluted	18,625,252	11,988,221	1,507,092	9,040,132

See accompanying notes to condensed consolidated financial statements.

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(a corporation in the development stage)

**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)**

For the period August 15, 2005 (inception) to December 31, 2005

and the period January 1, 2006 to September 30, 2006 (Unaudited)

	Common Stock		Deficit		Treasury Stock		Total Stockhold Equity
	Shares	Amount	Paid-in	Accumulated	Shares	Amount	
			Capital in	During the			
			Excess of	Development			
\$0.0001	Par	Stage					
ances at August 15, 2005		\$	\$			\$	\$
mon stock issued September 13, 2005	4,166,667	417	24,583				25,
ury stock purchased					(4,166,667)	(25,000)	(25,
nce of treasury shares for services			(25,000)		1,750,001	25,000	
rtization of stock based compensation expense			24,407				24,
ross				(24,783)			(24,
<b>ances at December 31, 2005</b>	<b>4,166,667</b>	<b>417</b>	<b>23,990</b>	<b>(24,783)</b>	<b>(2,416,666)</b>		<b>(</b>
nce of common stock and Warrants	16,875,251	1,687	101,249,819				101,251,
assification of proceeds allocated to warrants-derivatives liabilities (As Restated, see Note 4)			(19,912,796)				(19,912,
cash compensation			13,049,996				13,049,
nses of offering			(10,827,020)				(10,827,
cash charge related to sale of option			1,966,666				1,966,
rtization of stock based compensation expense			5,523,757				5,523,
eds subject to possible conversion of 3,373,363 shares			(19,515,284)				(19,515,
ross (As Restated, see Note 4)				(8,027,932)			(8,027,
<b>ances at September 30, 2006</b>							
ated, See Note 4)	<b>21,041,918</b>	<b>\$ 2,104</b>	<b>\$ 71,559,128</b>	<b>\$ (8,052,715)</b>	<b>(2,416,666)</b>	<b>\$</b>	<b>\$ 63,508,</b>

See accompanying notes to condensed consolidated financial statements.



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**HAPC, INC. AND SUBSIDIARY**

**(formerly HEALTHCARE ACQUISITION PARTNERS CORP.)**

(a corporation in the development stage)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	<b>For the period</b>	
	<b>from</b>	
	<b>August 15, 2005</b>	
<b>Nine Months Ended</b>	<b>(inception)</b>	<b>For the period</b>
<b>September 30, 2006</b>	<b>to September 30, 2005</b>	<b>from August 15, 2005</b>