

Creative Tax Strategy Enables Sale of DesignPac to 1-800-FLOWERS

Ungaretti & Harris recently represented gourmet gift basket provider, DesignPac Gifts Inc., in its sale to online floral and gift retailer, 1-800-FLOWERS.COM Inc., for \$38.25 million. Based in Melrose Park, Illinois and founded in 1991, DesignPac became a wholly owned subsidiary of 1-800-FLOWERS, a publicly-held company.

After the Letter of Intent was executed and several drafts of the transaction documents were exchanged, certain issues and concerns were raised during due diligence by the accountants of 1-800-FLOWERS. Ungaretti & Harris attorneys devised a new deal structure for DesignPac, which was implemented on a tax-free basis immediately prior to the closing, permitting the parties to secure the same economic result originally bargained for, while at the same time, resolving the new issues and concerns raised by 1-800-FLOWERS' accountants.

Corporate, Securities & Finance Partners **David A. Bronner** and **Jennifer R. Quinn** and Tax Partner **Francis J. Emmons** represented DesignPac, along with Corporate Associates **Christopher J. Schafer** and **Layla A. Strothoff**.

If you have questions regarding this information or how we can help your business be more successful, please call David A. Bronner at 312.977.4468 or e-mail your questions to dabronner@uhl.com.

The lawyers in Ungaretti & Harris' Corporate, Securities & Finance Group have extensive experience handling sophisticated and innovative mergers and acquisitions for corporate clients and private equity funds, corporate finance transactions, securities regulation matters, debt restructurings, venture capital financings, derivative products, and other commercial matters.

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