

DELCATH SYSTEMS INC  
Form DEFA14A  
September 08, 2006  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) of the

Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant  S

Filed by a Party other than the Registrant  O

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 § 240.14a-12

**DELCATH SYSTEMS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(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:

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(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):

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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:

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**DO NOT SIGN ANY BLUE CONSENT CARD  
SENT  
TO YOU BY LADDCAP VALUE PARTNERS LP**

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## SHAREHOLDER VALUE

### **Increasing Shareholder Value May 15, 2003 and July 26, 2006**

*[\(the last trading day before Laddcap commenced its latest attempt to take control of Delcath\)](#)*

[Click Here for a larger image](#)

Delcath's management has designed this webpage to offer its shareholders easy access to the documents issued by the Company in response to Laddcap Value Partners' consent solicitation.

On August 17, 2006, Laddcap filed a definitive consent solicitation statement with the SEC relating to Laddcap's proposal to, among other things, remove the current Board of Directors and replace them with Laddcap's handpicked slate of directors. In response, on August 21, 2006, Delcath filed a definitive consent revocation statement on Form DEFC14A with the SEC in opposition to Laddcap's consent solicitation. Delcath shareholders should read the Definitive Consent Revocation Statement (including any amendments or supplements thereto) because it contains additional information important to the shareholders' interests in Laddcap's consent solicitation. The Definitive Consent Revocation Statement and other public filings made by Delcath with the SEC are available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov).

Despite management's previous efforts to negotiate in good faith with Laddcap to reach an amicable agreement, Laddcap's principal, Mr. Robert Ladd, remains relentless in his efforts to remove Delcath's entire current Board. If successful, Laddcap's efforts will precipitate M.S. Koly's departure as the Company's President and Chief Executive Officer.

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#### **The Current Board And Management Team:**

- Heavily vested interest in Delcath, with a combined total of 3.2 million shares, representing more shares than Laddcap.
- Since the three independent directors joined the Company in October 2001 through July 26, 2006, the day before Laddcap commenced its consent solicitation, the market value per share of common stock has increased by approximately 469%.

Delcath's Board of Directors and management team continue to take steps to address shareholders' concerns that were raised at the annual meeting:

- Retained C.E. Unterberg, Towbin, a reputable and established investment bank with decades of experience in the healthcare industry.
- Expanding the Board of Directors with the anticipated addition of one new independent Board member by September 30th and a second new independent Board member before the end of the year.
- Working closely with the National Cancer Institute (NCI) to add new sites to the pivotal Phase III Melphalan trial.
  - ◆ Recently added the Methodist Health Care System in Texas to its Phase III Doxorubicin trial.

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### **Laddcap And Its Handpicked Slate Of Directors:**

The statements below are both shocking and undermine Laddcap and the slated board's credibility.

- Laddcap misrepresented two outfits, Fulcrum Global Partners LLC and Glocap Funding, LLC, as "reputable and experienced" and as "investment banks" from which they obtained a valuation of Delcath and shared with other Delcath shareholders
- Mr. Paul William Frederick Nicholls filed for personal bankruptcy in 2002 resulting from debt amassed on credit cards, including credit cards issued by luxury retailers such as Bloomingdale's, Bergdorf Goodman and Macy's
- Mr. Zeidman, a member of Laddcap's slated board, served as a member of the audit and compensation committees of the board of directors of Seitel Corporation during the period in which Seitel misstated its earnings for seven quarters and subsequently filed for bankruptcy
- Jonathan Foltz, also a member of Laddcap's slated board, has been sued by Delcath for breaching various duties and obligations owed to Delcath by allegedly sharing trade secrets and other proprietary information with Laddcapp
- Mr. Ladd has no discernible expertise in research and clinical trials and has no discernible experience in the clinical field or with medical device or development stage companies
- Mr. Ladd has approximately 33% of the Laddcap fund invested in Delcath's common stock, which would mean his fund is not well-diversified and that he probably will be looking to liquidate his position in the near-term.

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**Please also note that no shareholder is required to act on Laddcap's blue consent card.**

### **Delcath News**

**September 6, 2006**

[Delcath Systems Issues Letter to Shareholders](#)

**August 30, 2006**

[Delcath Systems Discloses Letter From University of Maryland](#)

**August 29, 2006**

[Delcath Systems Invites Shareholders to Submit Questions for Town Hall Meeting](#)

**August 25, 2006**

[Delcath Systems to Host a Special Town Hall Meeting with Shareholders in Stamford, CT](#)

**August 22, 2006**

[Delcath Systems Commences Mailing to Shareholders](#)

**August 18, 2006**

[Federal Court Prohibits Laddcap From Taking Any Action on Consents](#)

**August 16, 2006**

[Delcath Systems Retains C.E. Unterberg, Towbin as Strategic Advisor](#)

**August 8, 2006**

[Delcath Systems Files Complaint Against Former Employee](#)

**August 7, 2006**

[DELCATH SYSTEMS ISSUES LETTER TO SHAREHOLDERS](#)

**August 7, 2006**

[Delcath Systems Files Securities Lawsuit Against Laddcap](#)

**July 28, 2006**

[Delcath Systems Advises Stockholders to Defer Taking Any Action at This Time in Response to Laddcap's Announced Consent Solicitation](#)

**July 17, 2006**

[Delcath Systems Issues Second Quarter Update](#)

## Stock Quote

### Delcath stock tracker

Most recent trade: **\$3.96**

Today's change: **0.00**

(Prices delayed up to 20 minutes)

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