

DELCATH SYSTEMS INC  
Form DFAN14A  
August 24, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Consent Solicitation 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 Pursuant to §240.14a-12

**DELCATH SYSTEMS, INC.**  
(Name of Registrant as Specified In Its Charter)

**ROBERT B. LADD  
JONATHAN A. FOLTZ  
MICHAEL KARPf, M.D.  
PAUL WILLIAM FREDERICK NICHOLLS  
FRED S. ZEIDMAN  
LADDCAP VALUE ASSOCIATES LLC  
LADDCAP VALUE PARTNERS LP**

(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.

(1) Title of each class of securities to which transaction applies: N/A  
(2) Aggregate number of securities to which transaction applies: N/A  
(3)

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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):

N/A

(4) Proposed maximum aggregate value of transaction: N/A

(5) Total fee paid: N/A

o Fee paid previously with preliminary materials.

o 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: N/A

(2) Form, Schedule or Registration Statement No.: N/A

(3) Filing party: N/A

(4) Date Filed: N/A

**LADDCAP URGES STOCKHOLDERS TO VOICE THEIR OPINION AND RETURN THE BLUE  
CONSENT CARD TODAY**

*Laddcap Issues Open Letter to Fellow Delcath Stockholders Asking for Their Support and  
Announcing a September 6th Conference Call*

New York, August 24 - Laddcap Value Partners LP today announced that it issued the following letter to its fellow Delcath Systems Inc.'s (Nasdaq: DCTH) stockholders. Laddcap is asking its fellow Delcath stockholders for their written consent to remove and replace Delcath's current Board of Directors with its slate of experienced nominees who will work relentlessly to advance Delcath's technology and increase stockholder value in both the near and long-term. Laddcap is asking Delcath stockholders to return their **BLUE** Consent Card today.

Dear Fellow Delcath Stockholders:

Laddcap Value Partners is pleased to see the release of Delcath's Definitive Consent Revocation Statement. Now both parties have definitive documents on file with the Securities and Exchange Commission. As we have mentioned in the past, Laddcap is simply seeking an open stockholder voting process. In our opinion, the recent negative campaigning and soliciting efforts by Delcath, its management and Board only serve to divert attention away from the true issues in this consent solicitation. Moreover, we believe that Delcath's multiple lawsuits divert attention from the real choices facing Delcath's stockholders; they also appear to be extremely costly for its stockholders.

The issue being decided by Delcath's stockholders is not, as Delcath has characterized in its latest letter, a "hostile takeover attempt" that requires "defending." We question how a stockholder consent solicitation to change Delcath's Board, which will require approval by a majority vote of the total outstanding shares, can be properly defined as "hostile?" Hostile to whom?

Laddcap is attempting, with its own funds, to participate in an open stockholder vote to decide the future governance of Delcath. In our opinion, the present board of Delcath is attempting, using stockholders' money, to thwart stockholder democracy. We view these tactics to, "protect stockholders," as self-serving and an inappropriate use of corporate funds (especially for a company of Delcath's size). We are confident that the will of the stockholders will not be stymied by Delcath's legal maneuverings.

**PLEASE SUBMIT YOUR BLUE CONSENT CARD TODAY, YOUR VOTE COUNTS TODAY.**

We encourage all Delcath stockholders to engage themselves in this most democratic of processes. Nothing less than the future governance of Delcath is at stake. Please take the time to seriously and independently evaluate the issues at hand. Compare the experiences and qualifications of our nominees against the experiences and qualifications of the current Board. Voting is the only way to voice your opinion, so we urge you to take the time and vote.

**OPEN CONFERENCE CALL**

As we have previously stated, we believe it is important to maintain an open and on-going dialogue with stockholders. Therefore, representatives of Laddcap's proposed slate of directors will be available on a conference call on September 6th at 4:30 p.m. (E.T.). Dial 1-888-550-5602 and enter code 0981 2532 for access to the call.

**CONTACT US**

If anything in this letter or in other materials you may receive from us or Delcath raises any questions for you, please contact us. We want to hear from you, hear your views concerning Delcath and answer any questions that you may have about our proposals or the unaffiliated slate of directors. Therefore, please call, write, fax or email us your name, address, email address and number of shares of Delcath stock you held on July 27, 2006; please also include your phone number. Our contact information is set forth below or you may call our consent solicitor, The Altman Group toll free at (800) 581-5375.

Thank you for your support,

LADDCAP VALUE PARTNERS LP

By: \_\_\_\_\_  
Robert B. Ladd, in his capacity as the managing member of Laddcap Value Associates LLC, the general partner of Laddcap Value Partners LP

PLEASE SIGN, DATE AND RETURN YOUR **BLUE** CONSENT CARD

If you have any questions or require any assistance in executing your written consent, please call:

**The Altman Group, Inc.**  
1200 Wall Street West, 3rd Floor, Lyndhurst, NJ 07071  
(800) 581-5375  
Banks and Brokers Call Collect: (201) 806-7300

**Laddcap Value Partners LP**  
650 Fifth Avenue, Suite 600  
New York, NY 10019  
(212) 259-2070  
info@laddcapvalue.com

In connection with our consent solicitation, on August 17, 2006 we filed a definitive consent solicitation statement with the Securities and Exchange Commission (the "SEC"). In addition, we may file other consent solicitation materials regarding this consent solicitation. **STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE CONSENT SOLICITATION STATEMENT BECAUSE IT CONTAINS IMPORTANT INFORMATION.** Definitive consent solicitation statements and **BLUE** consent cards have been mailed to Delcath stockholders. Stockholders are also able to obtain a free copy of the definitive consent solicitation statement at the SEC's website, www.sec.gov. The definitive consent solicitation statement may also be obtained free of charge from our offices by contacting us via the contact information set forth above.

PLEASE SIGN, DATE AND RETURN YOUR **BLUE** CONSENT CARD