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Recommendations by Stockholders of Director Nominees. The Nominating Committee will consider any recommendation by a stockholder of a candidate for nomination as a director. If a stockholder wants to recommend a director candidate for consideration by the Nominating Committee, the stockholder should submit the name of the proposed nominee, together with the reasons why the stockholder believes the election of the candidate would be beneficial to the Company and its stockholders and the information about the nominee that would be required in a proxy statement requesting proxies to vote in favor of the candidate. The stockholder's submission must be accompanied by the written consent of the proposed nominee to being nominated by the Board and the candidate's agreement to serve if nominated and elected. Any such submission should be directed to the Nominating and Corporate Governance Committee at the Company's principal office, 600 Fifth Avenue, 23rd Floor, New York, New York 10020. If a stockholder intends to nominate a person for election to the Board of Directors at an annual meeting, the stockholder must provide the Company with written notice of his or her intention no later than the deadline for receiving a stockholder proposal for inclusion in the Company's proxy statement for such meeting (as described below under the heading "Stockholder Proposals For the 2011 Annual Meeting"), and must otherwise comply with our amended and restated certificate of incorporation. Copies of any recommendation received in accordance with these procedures will be distributed to each member of the Nominating and Corporate Governance Committee. One or more members of the Nominating and Corporate Governance Committee may contact the proposed candidate to request additional information.

At the request of any director, the candidacy of a proposed director nominee will be considered by the full Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will not, however, be obligated to notify a stockholder who has recommended a candidate for consideration by the Nominating Committee as a director of the reasons for any action the Nominating Committee may or may not take with respect to such recommendation.

Stockholder Communications with the Board of Directors. Any stockholder wishing to communicate with the Board or with any specified director should address his or her communication to the Board of Directors or to the particular director(s) in care of the Corporate Secretary, Delcath Systems, Inc., 600 Fifth Avenue, 23rd Floor, New York, New York 10020. All such written communication, other than items determined by our legal counsel to be inappropriate for submission to the intended recipient(s), will be submitted to the Board or to the particular director(s). Any stockholder communication not so delivered, will be made available upon request to any director. Examples of stockholder communications that would be considered inappropriate for submission include, without limitation, customer complaints, business solicitations, product promotions, job inquiries, junk mail and mass mailings, as well as material that is unduly hostile, threatening, illegal or similarly unsuitable.

Compensation Committee Interlocks and Insider Participation. The members of our Compensation and Stock Option Committee are: Roger G. Stoll (Chair), Harold S. Koplewicz, M.D. and Robert B. Ladd. None of the members of the Compensation and Stock Option Committee is a current or former officer or employee of the Company, nor did any Compensation and Stock Option Committee member engage in any "related person" transaction that would be required to be disclosed under Item 404 of Regulation S-K. During 2009, none of the Company's executive officers served on the compensation committee (or equivalent) or on the board of directors of another entity whose executive officers served on the Compensation and Stock Option Committee or the Company's Board of Directors.

#### Transactions with Related Persons

Policy for Review and Approval of Related Person Transactions. The Company has adopted a written policy for the review and approval or ratification of transactions between the Company and Related Parties. Under the policy, the Company's Nominating and Corporate Governance Committee will review the material facts of proposed transactions involving the Company in which a Related Party will have a direct or indirect material interest. The Committee will either approve or disapprove the Company's entry into the transaction or, if advance approval is not feasible, will consider whether to ratify the transaction. The Committee may establish guidelines for ongoing transactions with a Related Party, and will review such transactions at least annually. If the aggregate amount of the transaction is expected to be less than \$200,000, such approval or ratification may be made by the Chair of the Committee. In determining whether to approve or ratify a transaction with a Related Party, the Committee (or Chair) will consider, among other factors, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party and the extent of the Related Party's interest in the transaction.

Certain transactions are deemed pre-approved under the Policy, including compensation of executive officers and directors (except that employment of an immediate family member of an executive officer requires specific approval), and transactions with a company at which the Related Party's only relationship is as a non-officer employee, director, or less than 10% owner if the aggregate amount involved does not exceed 2% of the company's total annual revenues (or, in the case of charitable contributions by the Company, 2% of the charity's total annual receipts). Pre-approval is not required if the amount involved in the transaction is not expected to exceed \$120,000 in any calendar year.

For purposes of the policy, a Related Party is generally anyone who since the beginning of the last full fiscal year is or was an executive officer, director or director nominee, owner of more than 5% of the Common Stock, or immediate family member of any of such persons.

Related Person Transactions During Fiscal 2009. No related person transactions occurred during fiscal 2009.

ELECTION OF DIRECTORS  
(PROPOSAL ONE)

The Board of Directors of the Company currently consists of seven directors divided into three approximately equal classes. The directors hold office for staggered terms of three years (and until their successors are elected and qualified). One of the three classes is elected each year to succeed the directors whose terms are expiring.

The nominees for director at the 2010 Annual Meeting are Harold S. Koplewicz, M.D. and Robert B. Ladd. Each of these nominees is currently a director and has been nominated by the Board of Directors, upon the recommendation of its Nominating and Corporate Governance Committee, to stand for election for a term expiring at the annual meeting of stockholders to be held in 2013. Each of these nominees has consented to being named in this Proxy Statement as a Board nominee and to serve if elected. Should any of the nominees not remain a candidate for election at the date of the Annual Meeting, proxies will be voted in favor of the nominees who remain candidates and may be voted for substitute nominees selected by the Board of Directors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

Information About Directors. The following table sets forth certain information regarding the directors standing for re-election and members of the Board of Directors of the Company whose terms will continue after the Annual Meeting.

Name	Age	Position(s) with the Company	Director Since	Director Class	Term Expires
Pamela R. Contag	52	Director	2008	II	2011
Eamonn P. Hobbs	51	President, Chief Executive Officer and Director	2008	II	2011
Harold S. Koplewicz	57	Chairman of the Board	2006	I	2010(1)
Robert B. Ladd	51	Director	2006	I	2010(1)
Laura A. Philips	52	Director	2007	III	2012
Roger G. Stoll	67	Director	2008	III	2012
Richard L. Taney	53	Director	2006	II	2011

(1) Nominee for re-election at the 2010 Annual Meeting for a term expiring in 2013.

Set forth below is certain information with respect to the nominees and other directors of the Company. Unless otherwise indicated, the principal occupation listed below for each person has been his or her principal occupation for the past five years.

Board Nominees.

Harold S. Koplewicz, M.D. was first appointed a director in September 2006 and was appointed Chairman of the Board in February 2007. He is one of the nation’s leading child and adolescent psychiatrists, honoured by the American Psychiatric Association, the American Society for Adolescent Psychiatry, and the American Academy of Child & Adolescent Psychiatry. In May 2006, he was appointed by then-New York Governor George Pataki to the position of Director of the Nathan S. Kline Institute for Psychiatric Research, where he is the third person to hold this position since the institution’s founding in 1952. In 2007, Dr. Koplewicz became the first Vice Dean of External Affairs at the NYU Langone Medical Center. During his tenure, over \$500 million in philanthropic support was raised

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for the Medical Center. Dr. Koplewicz founded the NYU Child Study Center in 1997 and served as its Director for twelve years. Under his leadership, the NYU Child Study Center made remarkable contributions to the field through expert clinical care, a robust research portfolio, and advocacy for child mental health. A graduate of Albert Einstein College of Medicine, Dr. Koplewicz completed his psychiatric residency at New York Hospital Westchester Division, a fellowship in Child Psychiatry at Columbia University's College of Physicians and Surgeons, a NIMH Research Fellowship at the New York State Psychiatric Institute, and the Executive Program in Health Policy and Management at Harvard University's School of Public Health. He has served as a member of the National Board of Medical Examiners and as a Commissioner of the New York State Commission on Youth, Crime and Violence and Reform of the Juvenile Justice System. Since 1997, he has been the Editor-in-Chief of the Journal of Child and Adolescent Psychopharmacology. He has also served as a member of the working group organized by the U.S. Assistant Surgeon General and the U.S. Department of Health and Human Services to address the effects of terrorism on children's mental health. The Nominating and Corporate Governance Committee considered these qualifications, in addition to his leadership experience and valuable insights in the medical field, as well as the overall composition of the Board, in making the determination that Dr. Koplewicz should be a nominee for director of the Company.

Robert B. Ladd was first appointed a director in October 2006. Since January 2003, Mr. Ladd has served as the founder and managing member of Laddcap Value Associates LLC, the general partner of Laddcap Value Partners LP, an investment management company. From 1988 to November 2002, Mr. Ladd served as a Managing Director of Neuberger Berman, an investment management company, where his responsibilities included serving as a portfolio manager for various high net worth clients and as a securities analyst. Mr. Ladd graduated from the University of Pennsylvania's Wharton School with a B.S. in Economics in 1980. He received his MBA from Northwestern University's Kellogg School of Management in 1983. Mr. Ladd has also earned a CFA designation. Mr. Robert Ladd served on the Board of Directors of InFocus Corp. from 2007 to 2009, a former public company. The Nominating and Corporate Governance Committee considered these qualifications, in addition to his financial acumen and insights to the Board gained from his broad financial experience, as well as the overall composition of the Board, in making the determination that Mr. Ladd should be a nominee for director of the Company.

Continuing Directors.

Laura A. Philips, Ph.D., MBA was appointed as a director in May 2007. Dr. Philips currently serves on the Boards of Directors of: China Yongxin Pharmaceuticals Inc., where she serves on the compensation committee; Wellgen, Inc., where she serves on the audit committee; and Boyce Thompson Institute, where she serves as vice chair, chairs the compensation committee and serves on the audit and investment committees of that Board. Ms. Philips is also Chair Emeritus of the Board of Planned Parenthood of New York City. China Yongxin Pharmaceuticals is a publicly traded company. Wellgen Inc. is privately held. Dr. Philips is also currently a consultant for early stage companies. From 2003 to 2006, she was Chief Operating Officer and Acting Chief Financial Officer of NexGenix Pharmaceuticals. Prior to that, she was Vice President, Program Management for the AMDeC Foundation. Dr. Philips worked at Corning Incorporated from 1997 to 2002, where she held several positions including Program Director of the Fuel Cells Division. From 1994 to 1996, Dr. Philips held various government positions in Washington, D.C., most recently in a Presidential appointment as Senior Policy Advisor to Secretary of Commerce Ronald Brown. Dr. Philips was on the faculty of Cornell University in the Department of Chemistry from 1987 to 1994 and was an NIH Post-Doctoral Fellow at the University of Chicago. She received a B.A. in Chemistry from Williams College, a Ph.D. in Physical Chemistry from the University of California Berkeley and an MBA with Distinction from Cornell University's Johnson School of Management. Dr. Philips' scientific and business knowledge and financial aptitude contribute to full discussion and evaluation by the Board of its objectives and alternatives. Dr. Philips currently serves on several other boards, including both public and private companies. The Nominating and Corporate Governance Committee considered these qualifications, in addition to her financial expertise and audit committee experience, as well as the overall composition of the Board, in making the determination that Dr. Philips should serve as a director of the Company.

Roger G. Stoll, Ph.D. was appointed as a director in December 2008. From 2002 to 2008, he served as Chief Executive Officer and President of Cortex Pharmaceuticals, Inc., a publicly traded company, where he was appointed Executive Chairman in August 2008. From 2001 to 2002, he was a consultant to several east coast venture capital firms and startup ventures. From 1998 to 2001, he was Executive Vice President of Fresenius Medical Care-North America, in charge of the dialysis products division and the diagnostic systems business units, which included hemodialysis machines and dialysis filters equipment. From 1991 to 1998, Dr. Stoll was Chief Executive of Ohmeda, a global leader in anesthesia pharmaceuticals and related operating room equipment and devices. He also served on the boards of directors of St. Jude Medical and the BOC Group, plc. From 1986 to 1991, Dr. Stoll held several executive management positions at Bayer, AG, including Executive Vice-President and General Manager for the worldwide Diagnostic Business Group. Prior to that, Dr. Stoll worked for American Hospital Supply Corp., where he rose from Director of Clinical Pharmacology to President of its American Critical Care Division. He began his pharmaceutical career at the Upjohn Company in 1972. Dr. Stoll obtained his B.S. in Pharmacy from Ferris State University, obtained a Ph.D. in Biopharmaceutics and Drug Metabolism at the University of Connecticut, and was a post-doctoral fellow for two years at the University of Michigan. Dr. Stoll also serves on the board of directors of Chelsea Therapeutics and School of Pharmacy Advisory Board of the University of Connecticut. Dr. Stoll currently

serves on the Board of Directors of Chelsea Therapeutics International, Ltd., a publicly traded company, and is a member of that Board's audit committee, his service commenced in 2008. The Nominating and Corporate Governance Committee considered these qualifications, in addition to his relevant management and pharmaceutical experience, as well as the overall composition of the Board, in making the determination that Dr. Stoll should serve as a director of the Company.

Eamonn P. Hobbs was appointed President and Chief Executive Officer of Delcath in July 2009 and has been a director of the Company since October 2008. He has over 25 years of experience in the interventional radiology, interventional cardiology and gastroenterology medical device industries. From 1988 until 2009, Mr. Hobbs was President and CEO of AngioDynamics, Inc. In 2004, AngioDynamics was spun off from E-Z-EM, Inc., a healthcare company focused on diagnostic technologies, where Mr. Hobbs served as Senior Vice-President since 1988. Before his involvement with these companies, Mr. Hobbs was the Director of Marketing and Product Development at NAMIC, Founder, President and CEO of Hobbs Medical, Inc., and a Product Development Engineer at Cook Incorporated. He received a Bachelor of Science in Plastics Engineering with a Biomaterials emphasis at the University of Massachusetts, Lowell in 1980. In addition, since 2001, Mr. Hobbs has served as the only industry member of the strategic planning committee of the Society of Interventional Radiology, was elected to and served from 2002 to 2008 on the Board of Directors of the Society of Interventional Radiology Foundation (SIRF) and is currently Vice Chairman of the Medical Device Manufacturers Association (MDMA). Mr. Hobbs currently serves on the Board of Directors of Antares Pharma Co., a publicly traded company, and is a member of that Board's audit committee, his service commenced in August 2009. Mr. Hobbs also served on the Board of Directors of AngioDynamics, Inc., a publicly traded company from 1988 to 2009. In 2010, Mr. Hobbs also joined the Board of Directors of Cappella Cardiovascular Innovations, Inc. The Nominating and Corporate Governance Committee considered these qualifications, in addition to his public company and medical device experience, together with his knowledge of drug/device combination products and marketing, provide valuable perspective and insight, as well as the overall composition of the Board, in making the determination that Mr. Hobbs should serve as a director of the Company.

Pamela R. Contag, Ph.D. was appointed a director in December 2008. Dr. Contag founded ConcentRx Corp., a developer of cell based cancer therapies and currently serves as Chairman and CEO. Prior to starting ConcentRx she founded Cobalt Technologies, where she served as CEO and Chairman from 2006 to 2008. Cobalt specializes in biofuel production from microbes and won an award for one the top 20 cleantech in 2008. Prior to Cobalt, she founded Xenogen Corporation, which specializes in technology and services for preclinical drug development and testing, where she served as President and Director from 1995 to 2006. Xenogen, which went public in 2004, was acquired in 2006 by Caliper Life Sciences. Xenogen was listed as one of the "Top 25 Young Businesses" by Fortune Small Business and twice received the "R&D 100 Award." Dr. Contag was also recognized as one of the "Top 25 Women in Small Business" by Fortune magazine. Dr. Contag received her Ph.D. in Microbiology and Immunology from the University of Minnesota Medical School and completed her postdoctoral training at Stanford University School of Medicine. Dr. Contag is a consulting Professor at the Stanford School of Medicine and is widely published in the field of non-invasive molecular and cellular imaging including 35 patents. The Nominating and Corporate Governance Committee considered these qualifications, in addition to her significant scientific experience and strong management, organizational and leadership skills, as well as the overall composition of the Board, in making the determination that Dr. Contag should serve as a director of the Company.

Richard L. Taney, J.D. was first appointed a director in November 2006. Mr. Taney served as our Chief Executive Officer from December 2006 until July 2009 and our President from April 2007 until July 2009 and is currently an independent consultant. Mr. Taney was a founding partner of Sandpiper Capital Partners, an investment partnership that focuses on private equity investments and advisory work for privately held companies involved in a variety of emerging technologies, and managing partner from March 2003 until December 2006. In 1999, he founded T2 Capital Management, LLC, an investment management company and was the managing member until December 2004. Prior to establishing his money management ventures, he spent 20 years advising and managing assets for high net worth and institutional clients, at Salomon Brothers, Goldman Sachs and most recently as Managing Director of Banc of America Securities. He earned his B.A. from Tufts University and his J.D. from Temple University School of Law. The Nominating and Corporate Governance Committee considered these qualifications, in addition to his tenure on our Board and as the Company's previous Chief Executive Officer in order to provide a historic perspective and ongoing insight for the Board, Mr. Taney's financial expertise, as well as the overall composition of the Board, in making the determination that Mr. Taney should serve as a director of the Company.





Director Compensation. During 2009, Delcath's non-employee directors received: a cash retainer of \$5,000 per quarter (payable in arrears); \$1,000 for each Board and committee meeting attended; \$2,500 per quarter to the Chairman of the Board and the Chair of each committee; and reimbursement for reasonable travel expenses. In addition, our non-employee directors are eligible to receive equity awards under our 2009 Stock Incentive Plan.

The following table shows the compensation paid to our non-employee directors for the fiscal year ended December 31, 2009.

Director Compensation for 2009

Name	Fees Earned or Paid in		Total
	Cash	Stock Awards(1)	
Harold S. Koplewicz, M.D.	\$ 54,000	\$ 30,003	\$ 84,003
Robert B. Ladd	47,000	30,003	77,003
Laura A. Philips, Ph.D., MBA	53,000	30,003	83,003
Pamela R. Contag, Ph.D.	48,000	30,003	78,003
Roger G. Stoll, Ph.D.	52,000	30,003	82,003
Richard Taney(2)	16,000	30,003	46,003
Eamonn P. Hobbs(2)	19,000	–	19,000

(1)The amounts included in the "Stock Awards" column represents the grant date fair value for each director's restricted stock awards granted during fiscal 2009, computed in accordance with Financial Accounting Standards Board's Accounting Standards Codification Topic 718 ("FASB ASC Topic 718") – 5,485 shares of restricted stock each at \$5.47, the closing price of Delcath's common stock on December 10, 2009.

(2)Mr. Hobbs served as a non-employee director until July 6, 2009, when he was appointed President and CEO of the Company. Mr. Taney resigned as President and CEO of the Company effective July 6, 2009, and subsequent to his resignation began receiving fees and awards as a non-employee director.

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Effective as of January 1, 2010, non-employee directors receive: a cash retainer of \$6,000 per quarter (payable in arrears); \$1,000 for each Board and committee meeting attended in person; \$500 for each Board and committee meeting attended telephonically; \$3,000 per quarter to the Chairman of the Board and to the Chair of the Nominating and Corporate Governance Committee and Compensation and Stock Option Committee; and \$4,000 per quarter to the Chair of the Audit Committee.

Our non-employee directors are also covered by the Company's directors and officer insurance, and each of our directors and executive officers is a party to an indemnification agreement with us. The indemnification agreements require the Company to hold harmless and to indemnify each indemnitee to the fullest extent authorized or permitted by the Delaware General Corporation Law, the Company's amended and restated certificate of incorporation and amended and restated bylaws, subject to specified limitations. The indemnification agreements also provide for the advancement of reasonable litigation expenses to an indemnitee, subject to the requirement that the indemnitee reimburse the Company for such expenses if it is ultimately determined that the indemnitee is not entitled to such indemnification.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table provides information concerning the current executive officers of Delcath.

Name	Age	Office Currently Held
Eamonn P. Hobbs (1)	51	President and Chief Executive Officer
David A. McDonald	49	Chief Financial Officer
Agustin V. Gago	50	Executive Vice President, Global Sales and Marketing
Krishna Kandarpa, M.D., Ph.D.	59	Executive Vice President, Research and Development, and Chief Medical Officer
John Purpura	48	Executive Vice President, Regulatory Affairs and Quality Assurance
Barbra Keck	32	Vice President, Controller

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(1)Information about Mr. Hobbs is provided under the heading “Information about Directors – Continuing Directors.”

The following is a brief description of the business experience of the following officers:

David A. McDonald joined Delcath as Chief Financial Officer in September 2009. He was formerly the Senior Vice President of Business Development at AngioDynamics, Inc., where he led the company’s business development activities. Mr. McDonald founded Minneapolis-based Cornerstone Healthcare Advisors LLC in April 2005, which he led until joining AngioDynamics in July 2008. At Cornerstone he provided advisory and consulting services to emerging medical technology companies and their financial sponsors. Prior to 2005, Mr. McDonald was a Managing Director and leader of Medical Technology Investment Banking at RBC Capital Markets. Before his involvement with these companies, Mr. McDonald was a Senior Vice President and Equity Portfolio Manager at Investment Advisers, Inc. as well as a research analyst covering the healthcare industry for more than a dozen years. He received a Bachelor of Arts Degree in Economics from St. Olaf College in Northfield, Minnesota in 1982.

Agustin V. Gago joined Delcath as Executive Vice President for Global Sales and Marketing in November 2009. Prior to joining Delcath, he was Vice President for International Oncology Surgery Sales at AngioDynamics, Inc., since 2008. From 2002 to 2008, he was Vice President for the Global GI Business Unit at E-Z-EM, Inc., and from 1998 to 2002 he was Vice President of International Operations at E-Z-EM, Inc. Mr. Gago earned his B.S. in Business Management at Hofstra University and diplomas in International and Export Practices at universities overseas.

Krishna Kandarpa, M.D., Ph.D. joined Delcath as Executive Vice President, Research and Development and Chief Medical Officer in October 2009. Prior to joining Delcath, from 2002 to 2009, he was a tenured Professor and former Chair of the Department of Radiology at the University of Massachusetts Medical School (UMMS) and Radiologist-in-Chief at the University of Massachusetts Memorial Medical Center. Before joining the University of Massachusetts Memorial Medical Center in 2002, he was at the Weill Medical College of Cornell University, where he was a Professor of Radiology and Chief of Service and Director of the Division of Cardiovascular & Interventional Radiology at The New York Presbyterian Hospital (Cornell). He was also a faculty member at the Harvard-Massachusetts Institute of Technology, Division of Health Sciences and Technology from 1987 to 1998. Before deciding to attend medical school at the University of Miami, Dr. Kandarpa was a Research and Development Engineer at Duracell International Laboratory for Physical Science. He earned a Ph.D. in Engineering Science & Mechanics from Penn State University and a B.S. in Aerospace & Mechanical Engineering from Washington University (St. Louis). Dr. Kandarpa is past-President (1997-2001) and past-Chair (2001-2002) of the Cardiovascular

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& Interventional Radiology Research and Education Foundation (CIRREF) of the Society of Interventional Radiology (SIR). He completed his final term on the Board of Directors of the Academy of Radiology Research in 2007. Dr. Kandarpa has authored over 50 original peer-reviewed scientific publications, including book chapters and solicited review articles, and is the author/editor of several specialized books, including The Handbook of Interventional Radiologic Procedures, and a new textbook entitled Peripheral Vascular Interventions (2008), which will be available in Chinese this year.

John Purpura joined Delcath as Executive Vice President for Global Sales and Marketing in November 2009. Prior to joining Delcath, he was with E-Z-EM, Inc. as Vice President and then Executive Director of International Regulatory Affairs from 2007 to 2008 and Head of Regulatory Affairs for North America and Latin America from 2008 to 2009. Prior to E-Z-EM, Inc., Mr. Purpura had an 11 year career with Sanofi-Aventis, ultimately serving as Associate Vice President for Regulatory CMC from 2005 to 2007. From 1985 to 1995, he had various quality and regulatory management roles with Bolar Pharmaceuticals, Luitpold Pharmaceuticals and Eon Labs Manufacturing. He earned his MS in Management & Policy and B.S. degrees in Chemistry and Biology at the State University of New York at Stony Brook.

Barbra Keck joined Delcath as Controller in January 2009 and promoted to Vice President in October 2009. Prior to joining Delcath, she was an audit assistant with Deloitte & Touche, LLP from August 2008 to December 2008. From June 2006 to August 2008, Ms. Keck was the Assistant to the Vice President and Dean of Baruch College, Zicklin School of Business, and from September 2005 to May 2006 she was the Donor Relations and Communications Manager for Young Audiences New York. From 2002 to 2005, Ms. Keck was the Manager, UD Arts Series at the University of Dayton, where she also served as the Manager, Arts and Cultural Events from 1999 to 2002. Between those positions, from 2002 to 2003, she was the Director of Teacher Programs at the Muse Machine. Ms. Keck served as the General Manager of Dayton Bach Society and the Manager of UD Arts Series from 1999 to 2002. She earned her MBA in Accountancy from Baruch College and Bachelor of Music in Music Education from the University of Dayton.

## EXECUTIVE COMPENSATION

### Compensation Discussion & Analysis

**Compensation Philosophy and Objectives.** Our Compensation and Stock Option Committee, or “Compensation Committee,” is responsible for formulating and establishing our overall compensation philosophy with respect to our directors, executive officers, including our named executive officers, other key employees and consultants. The Company believes that a strong management team comprised of the most talented individuals in key positions at Delcath is critical to the development and growth of the Company. Accordingly, a key objective of executive compensation is to attract and retain such individuals, while motivating them to perform and make decisions consistent with the Company’s operating goals and objectives and culture. In furtherance of this objective, we believe that it is vital that our executive compensation be performance-based, as well as competitive with compensation paid to executive officers who are similarly situated to our named executive officers, in order to align a significant portion of each executive’s total compensation with the annual and long-term performance of the Company and the interests of the Company’s stockholders.

In consideration of the Company’s new management team, retained during the last half of 2009, the Compensation Committee intends to develop more specific and individualized performance objectives, expected to include both corporate financial and strategic objectives, as well as specific performance objectives for each named executive officer, in order to enhance the Company’s compensation practices to encourage and reward our executives who achieve pre-determined milestones so as to promote our growth and increase stockholder value.

**Role of Executive Officers in Determining Compensation.** The Compensation Committee, based on input from the Company’s CEO, determines the compensation of our executive officers. The CEO assists the Compensation Committee by providing performance assessments and compensation recommendations for each of the Company’s executive officers, including the named executive officers (other than the CEO). Except for Mr. Hobbs’ negotiation with the Company prior to his employment, the CEO does not participate in the formulation or discussion of his compensation.

**Role of Compensation Consultant in 2010 Compensation Planning.** The Compensation Committee recently retained Pearl Meyer & Partners, LLC (“PM&P”), as its independent compensation consultant to assist the Committee in

evaluating executive compensation programs and setting executive officers' compensation in the future. PM&P reports directly to the Compensation Committee, and PM&P is not permitted to perform services for management unless approved by the Compensation Committee. PM&P was engaged to assist the Compensation Committee in designing and developing a short-term incentive plan and to evaluate Delcath's long-term incentive plan, specifically with respect to its competitiveness, participation, plan design and financial impact on the Company and its executives. With the engagement of PM&P, the Compensation Committee expects to obtain advice and feedback related to maintaining programs that provide compensation opportunities for executives to enable the Company to fulfill its compensation objectives set forth above.

The Compensation Committee will consider the information provided by PM&P, as well as input from members of the Board and management, when making decisions or recommendations to the full Board regarding executive compensation.

#### Elements of Executive Compensation

The three components of the compensation program for named executive officers are base salary, annual cash incentive compensation and long-term equity-based incentive awards in the form of stock options and restricted stock awards. These components are administered with the goal of providing total compensation that is competitive in the marketplace, while recognizing meaningful differences in individual performance and offering the opportunity to earn superior rewards when merited by individual and corporate performance.

The Compensation Committee's policy is to establish ranges for base salary, annual cash incentive compensation and long term, equity-based incentive awards for named executive officers, including the CEO, with consideration to the compensation paid by similarly-situated companies, which include publicly-traded companies of similar structure and stage of development in the healthcare industry as the Company. The Compensation Committee believes an understanding of the compensation practices of companies with whom the Company competes for talent is important information for purposes of determining the type and mix of compensation components and target compensation levels. Accordingly, the Compensation Committee periodically obtains and evaluates surveys used for benchmarking compensation. In 2009, the Compensation Committee used the Radford Life Sciences Survey to determine competitive market practices within the industry, and this information, in combination with other factors, such as an individual's particular expertise, and experience in and knowledge of the healthcare industry, the Company's need to secure the employment of an individual(s) having a particular skill, expertise and/or knowledge in a particular area and the number of qualified candidates available to the Company. The Compensation Committee did not attach any particular weight to the survey information or factors it considered in establishing the compensation paid to our named executive officers, rather, the Compensation Committee made its determination based on the total mix of information available to it, and the particular individual and position.

**Base salary.** Base salary is determined based on two factors. The first is an evaluation by the Compensation Committee of the salaries paid in the marketplace to executives with similar responsibilities, and the second is the executive's unique role, job performance and other circumstances. Evaluating both of these factors allows the Company to offer a competitive total compensation value to each individual executive officer taking into account the unique attributes of, and circumstances relating to, each individual, as well as marketplace factors, such as the specialized nature of the healthcare industry and the unknown elements and risks associated with employment by a development stage company. This allows the Company to meet its objective of offering a competitive total compensation value, while attracting and retaining key personnel.

Mr. Taney's base salary for 2009 was \$396,000 per year, which is the same base salary paid in 2008. Mr. Taney served as the Company's CEO from December 2006 until his resignation as of July 6, 2009.

Mr. Hobbs' base salary for 2009 was \$425,000 per year, which is the amount provided for under his employment agreement. The Compensation Committee believes that this base salary is reasonable in light of Mr. Hobbs' qualifications and the Company's need to hire a CEO with experience in the healthcare industry. Mr. Hobbs' employment was effective as of July 6, 2009. The terms of his employment agreement are discussed in the section entitled "Employment Agreements."

Mr. McDonald's base salary for 2009 was \$325,000 per year, which is the amount provided for under his employment agreement. The Compensation Committee believes that this base salary is reasonable in light of Mr. McDonald's qualifications and the Company's need to hire a CFO with experience in the healthcare industry. Mr. McDonald's employment was effective as of September 14, 2009. The terms of his employment agreement are discussed in the

section entitled "Employment Agreements."

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Dr. Kandarpa's base salary for 2009 was \$375,000 per year, which is the amount provided for under his employment agreement. The Compensation Committee believes that this base salary is reasonable in light of Dr. Kandarpa's qualifications and the Company's need to hire a Chief Medical Officer to guide the development of the Delcath PHP System. Dr. Kandarpa's employment was effective as of October 20, 2009. The terms of his employment agreement are discussed in the section entitled "Employment Agreements."

Mr. Rifkin's annual base salary from January to October 2009 was \$185,000. In recognition of Mr. Rifkin's outstanding job performance and industry knowledge and expertise, which were key to the Company achieving certain of its goals and objectives during 2009, his annual base salary was increased in October 2009 to \$225,000, and he was awarded an incentive cash bonus of \$67,500 (paid in fiscal 2010). Mr. Rifkin does not have an employment agreement with the Company.

Ms. Keck's annual base salary from January to October 2009 was \$75,000. In recognition of Ms. Keck's outstanding job performance and financial expertise, which were key to the Company achieving certain of its goals and objectives during 2009, her annual base salary was increased in October 2009 to \$125,000, and she was awarded an incentive cash bonus of \$37,500 (paid in fiscal 2010). Ms. Keck does not have an employment agreement with the Company.

**Annual Incentive Compensation.** Annual incentive compensation is intended to establish a direct correlation between annual awards and the performance of the Company. Prior to 2009, the Company generally did not grant annual incentive bonuses to its named executive officers. However, the employment agreements for Mr. Hobbs, Mr. McDonald and Dr. Kandarpa provide for annual incentive cash bonuses in 2010. The target bonus levels for each of Mr. Hobbs, Mr. McDonald and Dr. Kandarpa are: 50%, 30% and 35%, respectively, of each such named executive officer's annual base salary, based upon the satisfaction of performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) reasonably established by the Compensation Committee. Determination of whether performance objectives are met and whether bonuses should be paid, and, if so, the amount, is made by the Compensation Committee.

Mr. Taney received an \$80,000 cash bonus in 2009 in recognition of his prior service as President and Chief Executive Officer of the Company. Further, and consistent with the Compensation Committee's intention to develop a more deliberate and measured compensation practice, with specific and individualized performance objectives, and in an effort to move the Company's compensation practice in the direction of a "manage by objectives format", that is singular in focus and quantifies performance objectives, each of the following named executive officers was paid (in fiscal 2010) a pro rata portion of their incentive bonuses. The Compensation Committee determined that these pro rata bonus amounts were earned in 2009 in consideration of Mr. Hobbs' (\$100,000), Mr. McDonald's (\$30,000) and Dr. Kandarpa's (\$23,500) individual efforts, knowledge, expertise and experience in the healthcare industry and their individual job performance, which individually and in the aggregate resulted in the Company's achievement of certain goals and objectives in furtherance of its growth and development in the industry.

**Long-Term Compensation.** Long-term compensation is an area of emphasis in the Company's strategy to compensate its named executive officers, as this will align a significant portion of each executive's total compensation with the long-term performance of the Company and the interests of the Company's stockholders.

In 2004, the Company adopted the 2004 Stock Incentive Plan, or the 2004 Plan. In 2009, the Company adopted the 2009 Stock Incentive Plan, or the 2009 Plan, and collectively with the 2004 Plan, the Plans. The Plans, which were approved by the Company's stockholders, provide for the grant of incentive awards, including performance share awards, performance unit awards, restricted stock awards and restricted stock unit awards, as well as incentive and non-qualified stock options and stock appreciation rights. To date, the Compensation Committee has made grants of stock options and restricted stock awards. In the future, it expects to continue offering awards under the 2009 Plan in order to align our named executive officers' decision making and performance with the Company's long-term operating goals in order to build shareholder value and to reward these individuals for their contribution to the Company's



performance.

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In 2009, the Company used long-term equity grants as an incentive for the newly hired executive officers to join the Company. Equity grants were made to Mr. Hobbs, Mr. McDonald and Dr. Kandarpa in order to align their interests with the Company's stockholders. Mr. Hobbs was granted an option under the Plans to purchase 800,000 shares of the Company's common stock. Mr. McDonald was granted an option under the 2009 Plan to purchase 250,000 shares of the Company's common stock and was granted 50,000 shares of restricted stock. Dr. Kandarpa was granted an option under the 2009 Plan to purchase 100,000 shares of the Company's common stock and was granted 200,000 shares of restricted stock.

Equity grant practices were high in 2009 as a result of our retaining the services of highly skilled, qualified executive officers; however, it is the Company's intention that over the next three fiscal years, beginning with fiscal 2010, it will not grant equity awards under the 2009 Plan at an average rate greater than 4% (based on the average of the 2009 and 2010 allowable industry standard annual burn rates) of the number of shares of our common stock that we believe will be outstanding over such three year period. For purposes of calculating the number of shares granted in a year, any full value awards will count as more than 1 based on the Company's stock price volatility factor.

The long-term equity awards made to other executive officers in 2009 have primarily been in the form of stock options and restricted stock awards. This is because the Company believes that stock options directly align the value of the benefit being provided to the executive officers with stockholder interests, since an optionee realizes no value unless the stock price increases. Options are generally exercisable over a three-year term. For executive officers other than the CEO, the Compensation Committee determines the number of options to grant based on its consideration of awards of similarly situated companies and in keeping with the Company's objective of offering a competitive total compensation value. With regards to Dr. Kandarpa, his employment agreement provides for a minimum annual bonus of an option to purchase 50,000 shares. The Compensation Committee will determine if Dr. Kandarpa will be entitled to additional equity grants based upon the criteria used for the other executive officers. No other employment agreement with the Company provides for any such guaranteed benefit.

Stock option grants generally are made to each named executive officer upon his or her joining the Company and satisfying the requirements for eligibility under the Plans, with additional grants being made annually as determined by the Compensation Committee. Stock options granted under the Plans generally have a three-year vesting schedule and generally expire 10 years from the date of grant. In the event of the named executive officer's termination of employment, all of his or her unvested options will be forfeited. The exercise price of options granted under the Plans must be at least 100% of the fair market value of the underlying stock on the date of grant. The number of stock options granted to each named executive officer is generally based upon several factors, including the named executive officer's position with the Company, salary and performance, and are targeted to approximate the grants made, on average, by similarly situated companies to executives with similar responsibilities. The number and value of the option grants during fiscal 2009 are presented in the table titled Grant of Plan-Based Awards.

In addition, grants of restricted stock awards may also be made to each named executive officer upon his or her joining the Company and satisfying the requirements for eligibility under the Plans, with additional grants being determined by the Compensation Committee. Restricted stock awards typically have a three-year vesting schedule and are conditioned, among other things, upon the employee remaining active with the Company through the vesting dates.

The Company does not backdate options or grant options retrospectively. In addition, the Company does not coordinate grants of options so that they are made before announcements of favorable information, or after announcement of unfavorable information. The Company's options are granted at fair market value on a fixed date with all required approvals obtained in advance of or on the actual grant date. All grants to executive officers require the approval of the Compensation Committee. The exercise price of the stock options is determined as the closing price of a share of the Company's common stock on The NASDAQ Capital Market on the date of grant.

Currently, the Company has not adopted a policy which requires its named executive officers to own a certain number of the Company's securities.

Please see the Summary Compensation Table and the Grants of Plan-Based Awards table presented in this Proxy Statement and the accompanying narrative disclosure for more information regarding the number and value of the stock option and restricted stock awards received by each of the named executives.

**Additional Benefits; 401(k) Plan.** All salaried employees participate in a variety of retirement, health and welfare, and paid time-off benefits designed to enable the Company to attract and retain a talented workforce in a competitive marketplace. These benefits and related plans help ensure that the Company has a productive and focused workforce. The Company utilizes a 401(k) savings plan to enable employees to plan and save for retirement. The Company does not provide matching contributions.

**Other Compensation.** As a development stage company, the Company does not have pension or deferred compensation plans or arrangements.

**CEO Compensation.** The Compensation Committee evaluates, at least annually, the performance of our CEO and recommends to the Board for approval the CEO's annual compensation including base salary, bonus and equity-based compensation.

For the period January 1, 2009 – July 6, 2009, Mr. Taney served as President and CEO of the Company. On July 2, 2007, the Company entered into an employment agreement with Mr. Taney, which provided for Mr. Taney to serve the Company as its CEO through July 1, 2009. Mr. Taney resigned from employment with the Company as of July 6, 2009. The Company entered into a separation and general release agreement with Mr. Taney on July 5, 2009, which provided for a cash severance payment of \$396,000 and a bonus payment of \$80,000. During his service as CEO in 2009, Mr. Taney's base salary and bonus compensation were determined in accordance with the criteria described above for other named executive officers.

Effective July 6, 2009, the Company entered into an employment agreement with Mr. Hobbs which provides for his employment through July 6, 2011. The employment agreement provides for a one time special bonus of \$175,000 to cover moving expenses and a gross-up to cover tax expenses. Mr. Hobbs is entitled to receive an incentive cash bonus on the anniversary of his employment date during each year of his agreement, targeted to equal 50% of his total base salary paid during the preceding 12 months, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) reasonably established with respect to that particular year by the Compensation Committee. No incentive bonus shall be paid unless the applicable performance objectives have been attained, and the Compensation Committee shall determine whether an incentive bonus is merited in any given period. Mr. Hobbs shall not be entitled to an incentive bonus for any year in which his employment is terminated for cause. As described above, the Compensation Committee determined that a pro rata portion of Mr. Hobbs' annual bonus was earned in 2009 (\$100,000) in consideration of Mr. Hobbs individual efforts, knowledge, business and operational expertise and experience in the healthcare industry and his outstanding job performance, which were key to the Company's achievement of certain goals and objectives in furtherance of its growth and development in the industry.

Pursuant to his employment agreement, in July 2009, Mr. Hobbs received an option award under the 2004 Plan and 2009 Plan to purchase 850,000 shares of the Company's common stock at the market price on the date of grant in connection with his hiring, of which 800,000 were granted in July 2009. In January 2010, Mr. Hobbs was granted an option under the 2009 Plan to purchase 50,000 shares of the Company's common stock at the market price on the date of grant.

For information regarding additional terms of Messrs. Hobbs' and Taney's employment agreements, as well as the terms of the employment agreements with the other named executive officers, please see the section entitled "Employment Agreements."

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Change of Control Provisions. The options granted to Ms. Keck, Mr. Rifkin, Dr. Kandarpa, and Mr. Hobbs, as well as the restricted stock granted to Dr. Kandarpa, are subject to immediate vesting in the event of a “Change of Control,” as defined in the Plans. There are no other change of control agreements or arrangements currently in effect for the named executive officers.

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Internal Revenue Code Section 162(m) Considerations. Section 162(m) of the Internal Revenue Code generally denies publicly-held corporations a federal income tax deduction for compensation exceeding \$1,000,000 paid to the Chief Executive Officer and each of the four other highest paid executive officers, excluding performance-based compensation. It is the Company's intention that any stock options and stock appreciation rights (SARs) granted under its 2009 Stock Incentive Plan will qualify as performance-based under Section 162(m).

#### Compensation and Stock Option Committee Report

The Compensation and Stock Option Committee of the Board of Directors has reviewed and discussed the foregoing "Compensation Discussion and Analysis" section of this Proxy Statement with management. Based on this review and these discussions, the Compensation and Stock Option Committee recommended to the Board of Directors that the section entitled "Compensation Discussion and Analysis" be included in this Proxy Statement and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Submitted by the Compensation and Stock Option Committee of the Board of Directors,

Roger G. Stoll, Chair  
Harold S. Koplewicz, M.D.  
Robert B. Ladd

Summary Compensation Table. The following table sets forth the total compensation of the Company's named executive officers for the fiscal years ended December 31, 2009, 2008, and 2007 during which they served in such capacities. The Company's named executive officers are (i) those persons who were, during fiscal 2009, our CEO (Eamonn P. Hobbs from July 6, 2009, and Richard Taney to July 6, 2009), (ii) those persons who were, during fiscal 2009, our principal financial officers (David A. McDonald, our CFO, from September 14, 2009, and Barbra Keck, our Vice President, Controller, to September 14, 2009), and (iii) those persons who were, at the end of fiscal 2009, our most highly compensated executive officers other than our CEO, CFO and Vice President, Controller.

Name and Principal Position	Year	Salary	Bonus	Stock Awards(1)	Option Awards(1)	All Other Compensation	Total
Richard Taney Former President, CEO and Treasurer(3) (10)	2009	\$200,966	\$ –	\$117,753	\$117,785	\$517,000(2)	\$953,503
	2008	396,000	60,000	108,100	87,904	75,000(4)	727,004
	2007	373,000	–	211,000	225,500	–	809,500
Jason Rifkin Senior Vice President Clinical Operations and Corporate Secretary(5)	2009	193,279	67,500	–	273,612	–	534,391
	2008	150,000	–	–	20,204	–	170,204
	2007	87,500	–	–	32,106	–	119,606
David A. McDonald Chief Financial Officer(6)	2009	97,254	30,000	196,000	645,175	125,000	1,093,428
Eamonn P. Hobbs President, CEO and Director(7)(10)	2009	207,670	100,000	–	1,823,079	194,000	2,324,749
Krishna Kandarpa, M.D., Ph.D. Executive Vice President, Research & Development, and Chief Medical Officer(8)	2009	75,284	23,500	1,218,000	400,630	199,910	1,917,324
Barbra Keck, Vice President Controller(9)	2009	86,018	37,500	–	292,234	–	415,751

(1) The amounts included in the "Stock Awards" column and the "Option Awards" column represent the grant date fair value of restricted stock awards and the grant date fair value of stock option awards granted to our named executive officers, calculated in accordance FASB ASC Topic 718. We caution that the amounts reported for these awards may not represent the amounts that the named executive officers will actually realize from the awards. Whether, and to what extent, a named executive officer realizes value will depend on the Company's stock price and the named executive officer's continued employment. For a discussion of the valuation assumptions used to calculate these amounts, see Note 3 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

(2) Includes a one-time severance payment of \$396,000, a bonus of \$80,000 and a \$25,000 reimbursement for the payment of taxes associated with a stock grant.

(3) Mr. Taney resigned as President and CEO on July 6, 2009.

(4) Includes reimbursement for payment of taxes associated with stock grant.

(5) Mr. Rifkin's employment began on June 1, 2007.

(6) Mr. McDonald's employment began on September 14, 2009. The amount included in the "All Other Compensation" column reflects a bonus paid to Mr. McDonald to cover relocation expenses.

(7)Mr. Hobbs' service as President and CEO began on July 6, 2009. The amount included in the "All Other Compensation" column reflects a bonus paid to Mr. Hobbs to cover relocation expenses and a gross-up to cover tax expenses.



(8) Dr. Kandarpa's employment began on October 20, 2009. The amount included in the "All Other Compensation" column reflects a bonus paid to Dr. Kandarpa to cover relocation expenses and a gross-up to cover tax expenses.

(9) Ms. Keck's employment began on January 5, 2009.

(10) The amounts included in the "Stock Awards" column, the "All Other Compensation" column and the "Total" column for Mr. Taney and Mr. Hobbs includes fees paid and the aggregate fair market value of stock awards granted to them in their capacities as non-employee directors of the Company. Mr. Taney from July 6, 2009 (fees: \$16,000, grant date fair value of stock awards \$30,003) and Mr. Hobbs to July 6, 2009 (fees: \$19,000). This information is also set forth in the "Director Compensation for 2009" table above.

Grants of Plan-Based Awards in 2009. The following table sets forth grants of plan-based awards made during the fiscal year ended December 31, 2009 to the named executive officers. Such grants were made under the Company's 2009 Stock Incentive Plan and 2004 Stock Incentive Plan.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
Richard Taney	1/2/09	–	50,000(1)	\$ 1.24	\$ 28,076
	7/2/09	–	50,000(1)	3.51	89,709
	7/2/09	25,000(2)	–	–	87,750
Jason Rifkin	10/12/09	–	75,000(3)	\$5.46	273,612
Barbra Keck	6/9/09	–	10,000(4)	3.66	18,622
	10/12/09	–	75,000(3)	5.46	273,612
David McDonald	9/14/09	–	250,000(5)	3.92	645,175
	9/14/09	50,000(6)	–	–	196,000
Krishna Kandarpa	10/20/09	–	100,000(7)	6.09	400,630
	10/20/09	200,000(8)	–	–	1,218,000
Eamonn Hobbs	7/6/09	–	800,000(9)	3.36	1,823,079

(1) Options granted under the 2004 Plan pursuant to a stock option grant letter; 100% vested at grant; expire July 6, 2014.

(2) Shares granted under the 2009 Plan pursuant to a stock option grant letter.

(3) Options granted under the 2009 Plan pursuant to a stock option grant letter; vest over three years; expire October 12, 2019.

(4) Options granted under the 2004 Plan pursuant to a stock option grant letter; 100% vested at grant; expire June 9, 2014.

(5) Options granted under the 2009 Plan pursuant to a stock option grant letter; 10,417 shares vest monthly for 23 months, thereafter 10,409 shares vest on 24th month; expire September 14, 2019.

(6) Shares of restricted stock granted under the 2009 Plan pursuant to a restricted stock agreement; 25,000 shares vested March 14, 2010 and 25,000 shares vest September 14, 2010.

(7) Options granted under the 2009 Plan pursuant to a stock option grant letter; vest ratably over 24 months; accelerated vesting upon consummation of a follow-on offering, submission of pre-market approval to FDA, and final FDA approval; expire October 20, 2019.

(8)

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Shares of restricted stock granted under the 2009 Plan pursuant to a restricted stock agreement; vest 100,000 shares on October 20, 2010 and 2011; accelerated vesting upon consummation of a follow-on offering, submission of pre-market approval to FDA, and final FDA approval.

(9) Options granted under the 2004 and 2009 Plans pursuant to a stock option grant letter; vest over three years; accelerated vesting upon consummation of a follow-on offering, submission of pre-market approval to FDA, and final FDA approval; expire July 6, 2019.

Outstanding Equity Awards at 2009 Fiscal Year-End. The following table sets forth information relating to the vested and unvested option awards held by the named executive officers as of December 31, 2009.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (# Exercisable)	Number of Securities Underlying Unexercised Options (# Unexercisable)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Richard Taney	40,000	—	\$3.28	11/14/2011	—	—
	50,000	—	3.90	7/6/2014	—	—
	100,000	—	5.85	7/6/2014	—	—
	50,000	—	1.74	7/6/2014	—	—
	50,000	—	2.44	7/6/2014	—	—
	50,000	—	1.24			