

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported):
April 16, 2007 (April 10, 2007)

DELCATH SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State of incorporation)

001-16133
(Commission File No.)

06-1245881
(IRS Employer
Identification No.)

1100 SUMMER STREET, STAMFORD, CONNECTICUT 06905
(Address of principal executive offices, including zip code)

(203) 323-8668
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 1.01- ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On April 10, 2007, Delcath Systems, Inc. (the "Company") issued a press release stating that it has entered into a Modification Agreement (the "Modification Agreement") with Laddcap Value Partners, LP, Laddcap Associates, LLC, and Laddcap Value Associates, LLC (collectively "Laddcap"). The Modification Agreement amends the October 8, 2006 Settlement Agreement (the "Settlement Agreement") previously entered into by the Company with Laddcap and allows Laddcap to increase its position in the Company, through open market purchases of the Company's shares, beyond the previous 14.9% limitation established under the Settlement Agreement to just under 20%. The Modification Agreement also provides that the Company will no longer be required to elect two directors nominated by Laddcap or to appoint at least one Laddcap nominee to each of its committees, as stipulated in the Settlement Agreement. The Board of Directors of the Company also voted unanimously to increase the threshold level for triggering the Shareholder Rights Plan ("Rights Plan") from 15% to 20%, effective immediately.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) NOT APPLICABLE.
(b) NOT APPLICABLE.
(c) NOT APPLICABLE.

(d) EXHIBITS.

EXHIBIT NO. -----	DESCRIPTION -----
10.1	Modification Agreement dated April 9, 2007
99.1	Press Release dated April 10, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned.

Dated: April 16, 2007

DELCATH SYSTEMS, INC.

By: /s/ Richard L. Taney

Richard L. Taney
Chief Executive Officer

MODIFICATION AGREEMENT

MODIFICATION AGREEMENT, dated as of April 9, 2007 (this "MODIFICATION AGREEMENT") by and between DELCATH SYSTEMS, INC., a Delaware corporation ("DELCATH"), and LADDCAP VALUE PARTNERS LP, a Delaware limited partnership, LADDCAP ASSOCIATES LLC, a Delaware limited liability company, LADDCAP VALUE ASSOCIATES LLC, a Delaware limited liability company, any affiliate (as defined under the Securities Exchange Act of 1934, as amended) of any of the foregoing, and Mr. ROBERT B. LADD ("LADD"), in his individual capacity (collectively, "LADDCAP," and together with Delcath, the "PARTIES").

WHEREAS, Delcath and Laddcap are parties to a Settlement Agreement dated as of October 8, 2006 (the "SETTLEMENT AGREEMENT"); and

WHEREAS, the parties agree that the issues which led the Parties to enter into the Settlement Agreement have been largely resolved, that continuation of most covenants under the Agreement serve no valuable purposes for the Parties and certain of such covenants unnecessarily restrict the Parties activities at little or no benefit to the counter-parties; and

WHEREAS, the Parties have accordingly agreed to modify the Settlement Agreement with respect to certain obligations and rights of the Parties under the Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual execution of this Modification Agreement and the mutual agreements set forth herein, the Parties hereby agree as follows:

1. Except as otherwise expressly set forth in this Modification Agreement, Laddcap and the Company hereby release one another from all future obligations created under the Settlement Agreement, with the exception of the Parties' obligations pursuant to Sections 5 and 6.

2. The provisions of Section 13 of the Settlement Agreement shall remain in force.

3. In accordance with Section 13(k) of the Settlement Agreement, Delcath hereby designates the following as the address to which all notices and other communications to it under the Settlement Agreement or this Modification Agreement shall be given:

Delcath Systems, Inc.
1100 Summer Street
Stamford, Connecticut 06905
Attention: Chief Executive Officer
Facsimile: (203) 961-0120

No copy of any such notice or other communication to Delcath needs to be delivered to any other person.

4. This Modification Agreement may be executed in two or more counterparts, all of which shall be considered as one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other party.

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5. This Modification Agreement may be executed by facsimile signature, and a facsimile signature shall constitute an original for all purposes.

IN WITNESS WHEREOF, the Parties hereto have executed this Modification Agreement as of the date first above written.

LADDCAP VALUE PARTNERS LP

By LADDCAP VALUE ASSOCIATES LLC,
Its General Partner

By: /s/ Robert B. Ladd

Name: Robert B. Ladd
Title: Managing Member

LADDCAP VALUE ASSOCIATES LLC

By: /s/ Robert B. Ladd

Name: Robert B. Ladd
Title: Managing Member

LADDCAP VALUE ADVISORS LLC

By: /s/ Robert B. Ladd

Name: Robert B. Ladd
Title: Managing Member

ROBERT B. LADD

/s/ Robert B. Ladd

Robert B. Ladd

DELCATH SYSTEMS, INC.

By: /s/ Richard Taney

Name: Richard Taney
Title: Interim Chief Executive Officer

COMPANY CONTACT:
 Delcath Systems, Inc.

 Richard Taney
 (203) 323-8668
 www.delcath.com

INVESTOR RELATIONS CONTACTS:
 Lippert/Heilshorn & Associates, Inc.

 Anne Marie Fields
 (afields@lhai.com)
 (212) 838-3777
 Bruce Voss (bvoss@lhai.com)
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 www.lhai.com

LHA DRAFT 1

DEL CATH SYSTEMS ENTERS MODIFICATION AGREEMENT WITH
 LADDCAP AND MODIFIES STOCKHOLDER RIGHTS PLAN

ALLOWS LADDCAP TO INCREASE HOLDINGS TO 20%

STAMFORD, CT, APRIL 10, 2007--Delcath Systems, Inc. (Nasdaq: DCTH) today announced that the Company has entered into a Modification Agreement with Laddcap Value Partners, LP, Laddcap Associates, LLC, and Laddcap Value Associates, LLC (Collectively "Laddcap") to amend the October 8, 2006 Settlement Agreement between Delcath and Laddcap. The key terms of the Modification Agreement will allow Laddcap to increase its position in Delcath, if it so chooses, through open market purchases of Delcath shares beyond the previous 14.9% limitation established by the October 8, 2006 settlement agreement to just under 20%. Furthermore, Delcath will no longer be required to elect two directors nominated by Laddcap or to appoint at least one Laddcap nominee to each of its committees as stipulated in the original agreement. The Board of Directors of Delcath also voted unanimously to increase the threshold level for triggering the Shareholder Rights Plan ("Rights Plan") from 15% to 20%, effective immediately.

Mr. Richard L. Taney, Chief Executive Officer of Delcath, commented on the amended agreement, "We are pleased to have modified the original Settlement Agreement with Laddcap and believe that this Modification Agreement benefits both Delcath and its stockholders. The board undertook this action in recognition of the changed circumstances and position of the company today. In addition, we have amended the Company's "Rights Plan" to raise the trigger threshold under the plan for all stockholders to the same level approved for Laddcap, which is just under 20%. We view the raising of the threshold for triggering the rights plan as a stockholder-friendly step, while still maintaining the Boards flexibility to enhance shareholder value in case the 20% threshold is crossed."

"With the recently announced expansion to our Clinical Research and Development Agreement ("CRADA") with the National Cancer Institute ("NCI") and our planned

expansion of the pivotal Phase III trial of the Company's Delcath System into a multi-center trial, we continue to move forward towards our goal of the commercialization of our percutaneous perfusion technology for organ and region-specific delivery of therapeutic and chemotherapeutic agents."

Delcath Board member Robert Ladd, who is also the Managing Member of Laddcap Value Partners, stated, I am very pleased with the amended agreement. All shareholders should applaud this step toward improved corporate governance and transparency."

ABOUT DELCATH SYSTEMS, INC.

Delcath Systems is a developer of percutaneous perfusion technology for organ or region-specific delivery of therapeutic and chemotherapeutic agents. The Company's intellectual property portfolio currently consists of 12 patents on a worldwide basis, including the United States, Europe, Asia and Canada. For more information, please visit the Company's website, www.delcath.com.

THIS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS, WHICH ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT CAN CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE DESCRIBED. FACTORS THAT MAY CAUSE SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, UNCERTAINTIES RELATING TO OUR ABILITY TO SUCCESSFULLY COMPLETE PHASE III CLINICAL TRIALS AND SECURE REGULATORY APPROVAL OF OUR CURRENT OR FUTURE DRUG-DELIVERY SYSTEM AND UNCERTAINTIES REGARDING OUR ABILITY TO OBTAIN FINANCIAL

AND OTHER RESOURCES FOR ANY RESEARCH, DEVELOPMENT AND COMMERCIALIZATION ACTIVITIES. THESE FACTORS, AND OTHERS, ARE DISCUSSED FROM TIME TO TIME IN OUR FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. YOU SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE THEY ARE MADE. WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE THEY ARE MADE.

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